

Contemporary Issues in

Strategic Marketing

Editor
Prof. Dr. Ahmet Şeker kaya



CONTEMPORARY ISSUES IN STRATEGIC MARKETING

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EDITOR'S PREFACE

There are a large number of factors which may cause markets to evolve. In a market ecosystem, a marketer's job is to create and sustain a business that is meant to be strong, agile, and sustainable enough to survive even in the fastest-changing environment. Thus successful strategy development is crucial for a marketing manager just as it is for a manager at the top management level. Marketing carries the roles of strategic thinking, planning, and management by leading, creating, and providing energy as a power center to many organizations. A marketer has to have the vision to develop not just business, but also functional and operational strategies as well as marketing actions, constantly adjusting them all for the better.

Affected by both unwanted changes and/or desired developments in many circumstances, we observe today that the marketers who aim to create value are looking for different and more sustainable competitive methods. This helps businesses gain a relative advantage in the market. New trends are emerging with the help of technological developments which are affecting customers, cultures and values, the economy, budget limitations, other restrictions regarding businesses, and so on. Thus, marketing management needs to take a fresh look at market strategy development and implementation.

The ideas that could change the way businesses do their job could arise from both inside and outside the company, including different markets and trends, practices of rivals or studies of marketing academia. Following this notion, we aimed to create a work that would provide a comprehensive review and a discussion of what is new and important for today and for the future in marketing ecosystems. With this book (Contemporary Issues in Strategic Marketing), our intention is to share the valuable ideas of esteemed marketing scholars and experts on the latest and most-valued concepts and developments in different sectors, particularly concerning the competitive marketing landscape in different markets around the world. All the work in this book has been developed by marketing scholars and/or experts and peer-reviewed by a different group of established scholars. The book is thought to be valued and appreciated by both academia and practitioners.

Aiming to present the development of new trends, tools, and concepts in the global marketing area, this book has world-wide contributors, consisting of 11 different respected authors from 4 different countries, which are Turkey, the United States of America, Australia and Kyrgyzstan. We attached particular importance to the inclusion of a diverse collection of expert ideas and perspectives from around the world, while also allowing for the subject area to be wide. The book is organized into 9 chapters. It covers many facets in an attempt to understand the most popular current trends for areas of marketing strategy development. It provides insights both for academia and also for marketing managers and/or for entrepreneurs in terms of discussions into different aspects of marketing strategy development, addressing mainly the following contemporary issues in a single and/or a diverse collection of markets.

The book includes a chapter on Brand Management Strategies and Challenges, which is crucial for contemporary markets. Advantages and disadvantages of various branding strategies, traditional vs. digital media and their importance for branding and the future of branding are topics which are widely discussed in this chapter. Another chapter is the review on the then and now of Customer Management: From Past to the Future. Components and applications of customer relationship management in different sectors, new technologies affecting customer relationship management, big data as a source of information, and new formats of customer relationship management are discussed in this chapter. Entrepreneurial Marketing is the emphasis of another chapter, as we see lots of new businesses and new business areas today. Attributes of entrepreneurial marketing, the importance of gathering customer insights, and acquiring market information

are some of the topics discussed in that chapter. Ethics for consumers, the phenomenon of Ethical Consumption and related marketing decisions are discussed in a different chapter. The main topics in this chapter are what ethical consumption is and how to differentiate it from other related concepts, the history of ethical consumption, concerns about the environment and human well-being due to consumption patterns of consumers, and the attitude-behavior gap. Sponsorship Marketing strategies are presented and reviewed for the sake of the sports industry. The importance and effectiveness of sponsorship within large sports events is discussed in detail; statistics and data from real-world sports events are analyzed based on effectiveness and passion indexes in this chapter. Due to growing interest in non-traditional research techniques, another chapter reveals the practices that could benefit from Neuroscience Marketing. Emerging new services, the digitalization and the mobilization of services industries, and the use of new tools, channels, and Services Marketing Strategies are portrayed in another chapter. There is also a chapter which provides a discussion of the claim that the Color of the Future of Marketing Strategies is Green, which is the title of the chapter. Green marketing, green marketing mix, green consumer concepts, green marketing strategies and global green practices are widely discussed in that chapter. With its inevitable popularity, Social Media is presented and reviewed in a chapter as part of new marketing communications strategies. A deeper understanding of social media and its tools, choosing the right social media to create the desired marketing outcome and the future of marketing communication and social media are also discussed.

As the editor of the book, I kindly thank all the authors for their valuable contributions and to the reviewers for their time, careful work and contributions. I thank Istanbul University Administration; the Rectorate of Istanbul University, and the Dean's Office of Istanbul University School of Business. I owe special thanks to the Istanbul University Press Administration and the Editorial Team. I also thank Feyza Nur KUTAY for her valuable contributions and all the other members and/or people who have taken a role in the production and publication of this book.

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PREFACE

Marketing is the science of making people happy! As such, marketing activity not only creates demand but fulfills the created demand in an effective possible way. In the first instance, companies try to assess lucrative market opportunities available in the market place by utilizing and implementing the analytical research techniques and tools at their disposal. It is stated that market opportunities are endless, but company objectives, resources, and competencies are limited in scope and magnitude. As a result, companies try to use their scarce resources in an optimum way possible where their resources and competencies are matched with the needs and wants of consumers/buyers in the market place. The decisions made by company managers do not take place in a vacuum. They take place in an environment which is rather volatile. To be able to satisfy the needs and wants of current and potential customers properly, companies develop appropriate plans, programs, and strategies so that target market needs are satisfied profitably and efficiently. In this process, at least in the short run, companies do not have any control on the environmental factors. As a result, they make a gradual adaptation to the changes taking place in the market environment by manipulating the marketing decision variables at their disposal. In doing so, they not only create a competitive advantage over their competitors but establish an effective and long lasting relationship with their customers. This is the backbone of the modern marketing thought process. By practicing relationship marketing (person-to-person relationship), companies create repeat purchase, brand/vendor loyalty, and brand/vendor insistence.

Contemporary Issues in Strategic Marketing, edited by Prof. Dr. Ahmet Sekerkaya of Istanbul University, School of Business, Marketing & Marketing Research Department is an interesting and useful attempt to examine a host of strategic marketing issues in a holistic way. Different components of strategic marketing are explored conceptually as well analytically. As well, how different strategic marketing issues collectively impact the development and implementation of effective marketing strategies in today's market place. As such, the book explores the impact of contemporary marketing issues on companies' operational decisions. To this end, the book, first of all, examines brand management strategies and challenges. Company brands signify their corporate and product/brand identity. Through branding strategies, companies try to differentiate their offerings, and position not only themselves but their products/brands in the minds of their customers. Many companies establish a relationship between their products and markets. Second, the book describes customer management issues in a broader perspective where its past as well as its future occurrences are highlighted. Third, given the current market conditions and realities to deal with contemporary marketing challenges and opportunities, several contributors to the volume investigate such consumer centric issues as ethical consumption, services marketing, and social media marketing. Fourth, to be able to remain competitive in today's market place, some companies engage in sponsorship marketing, green marketing and entrepreneurial marketing activities. The idea behind these kinds of practices is to create competitive advantages, and maintain their existing market share or even improve it. Fifth, 21st century consumers are better informed than their predecessors. They are not only savvy, but discerning individuals, in selecting and buying products and/or services. Because of this recent phenomenon, companies of all types make use of advanced analytical techniques to understand the needs and expectations of their customers. One of the techniques used is neuroscience marketing, which helps companies to explore consumer buying decisions. In other words, companies try to explore why consumers make the decisions they do. Through this, companies understand inner dynamics of the self.

Since much of the scholarly research and writings on strategic marketing in the west focus on the micro (company) level analysis, there has been a critical void in the existing literature on macro (institutional) level

analysis where the impact of broader societal and macro issues are explored conceptually, as well as analytically. This edited book plays a critical role for our understanding of contemporary strategic marketing issues. I highly recommend this volume to company managers, public policy makers, as well as marketing scholars.

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CHAPTER 1

SPONSORSHIP MARKETING

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Abstract

In recent years, there has been a concerted effort on the part of both manufacturing and service companies to move from broadcasting (mass communication) to one of narrow casting (targeted communication). Various companies have been using different types of media tools to engage in both institutional, as well as product/brand promotion. It is shown that more focused targeted promotions serve the needs of companies better. In this study, it is indicated that several companies have made use of corporate communication techniques more effectively and as a result gained a higher market share, increased brand loyalty, and created more favorable attitudes among its target markets towards the airline. In this way, digital interactive advertising as well as sponsorship and events gained tremendous importance. Sponsorship has become a vital marketing strategy in today's highly cluttered and fragmented marketing environment. Sponsorship becomes an important strategy for companies to connect with their customers who are usually very involved with the event that is being sponsored. Several forms of sports and other special events are sponsored by companies, and all these companies have different advertising objectives. The importance and effectiveness of sponsorship within large sports events is discussed in detail; statistics and data from real-world sports events are analyzed based on effectiveness and passion indexes. This chapter focuses on sports sponsorship practices, examines the trends in sponsorship marketing, and reviews sponsorship marketing research. Finally, the last part of the chapter discusses the successful story of Turkish Airlines sponsorship practices in details and examines the role of sponsorship activities in the company's overall performance through the last years when Turkish Airlines have held the title of Europe's Best Airline for four consecutive years.

Keywords: Sponsorship Marketing, Sports Marketing, Turkish Airlines, Corporate Sponsorship, Stadium Sponsorship, Jersey Sponsorship.

“In 1984, the owner of a large bicycle shop in the upper Midwest sent some of his mechanics to a local bicycle race sponsored by a national charity. At the time, his store was doing about \$200,000 per year in retail sales, and he wanted to help out the charity while finding out what the racers thought of his and his competitors’ businesses. An unexpected benefit of the company’s presence at the race was that participants started showing up in his store. Encouraged by these results, the company now supports more than 100 bicycle events each year and sends staff members to dozens of such events. It has hired a full-time representative to coordinate company involvement in special bicycle events that have the potential of increasing its exposure and business revenue. In 20 years, the company went from a low-key presence at bicycling events, donating a few water bottles embossed with the company’s name, to large-scale sponsorship, participating in event registration, providing event participants with workshops on bicycle maintenance, and offering in-store discounts to event participants. Within a week of one event, 30 participants had visited his store. Even better news for the company was that nearly half of the more than 5,000 riders reported purchasing goods from it. By 1996, the company had revenues of \$3 million. The owner attributes much of his success to his sponsorship of bicycle events. In his words, “I support them, and they support us.”¹

1. Introduction

Traditional advertising media still plays a critical role in corporate integrative marketing communication programs, but companies are facing enormous challenges with traditional mass media advertising. One of the most important challenges with traditional media is advertising expense accountability and measurability. In the last decade, due to increased competition, globalization, and challenging economic conditions, the emphasis on accountability and measurable outcomes has become much more prevalent for advertisers. While advertisers are not prepared to eliminate traditional media, such as radio, newspaper, magazine, television and outdoor advertising, they are focusing more on alternative advertising methods. Technological advances have enabled companies to search for alternative media such as: internet marketing, web-based advertising, websites, blogs and social networks, buzz marketing, guerilla advertising, lifestyle marketing, product placement, branded entertainment, video game advertising, mobile phone advertising, cinema advertising, brand communities, and all different types of sponsorship marketing.

Advertisers are continually examining how they can maximize the media they can use in order to effectively reach their target market. This media includes, but is not limited to: parking lots, shopping bags, street and mall kiosks, escalators, gas pumps, taxi cab seats, toilet stall advertising, in-flight advertising, conveyor belts, clothes, etc. In order to increase awareness and positive attitudes towards companies and their products, marketing professionals also started to consider using sponsorship and event marketing as an alternative way to promote their products in the last twenty years.

¹ From “*M: Advertising* (3rd ed.)” by W. Arens and M. Weigold, 2018, New York, NY: McGraw-Hill Irwin.

Sponsorship has become a pivotal marketing tool in today's highly cluttered and fragmented communication environment. It presents a platform for companies to (re)connect with their customers who are usually very involved with the event that is being sponsored. Clearly, an influential effect is created when a company is able to communicate to its consumers on sponsoring corporate social responsibility campaigns (Chomvilailuk & Butcher, 2010).

The main objective of sponsorship activities is to express to the customer the company's image, brands, products or services by relating them to a favorite event, cause or sports team (Gwinner, 1997). The majority of companies started building a company image that promotes brand identity and positive attitudes through sponsorships and events, contrary to promoting a company's brands, products or service attributes. It is critical for sponsors to realize whether or not the target market is conscious of the sponsor's existence, to observe the attitude towards the sponsor, and to understand the outcome of sponsorship activities.

By definition, sponsorship is a cash and/or in-kind fee rewarded to a property (typically in sports, arts, entertainment or causes) in return for access to the credulous profitable potential related with that property (Meenaghan, 1991). Sponsorship can be considered one the most prominent forms of marketing communication (Roy & Cornwell, 2004). Harvey (2001) affirms that sponsored events produce more income than all media advertising combined. Sponsorship can be broken down into many different categories, including: sports, arts, causes, festivals, fairs and annual events, associations, organizations, and members; entertainment, tours and attractions (IEG, 2010).

Many kinds of special events are sponsored by advertisers, and these advertisers have different objectives in mind. Some aim to obtain sales promotion by creating publicity, while others try to improve public relations through personal contact and affiliation with a worthy cause. Companies recognize that sponsorship is an effective way to gain popularity and institute brand loyalty in an IMC program.

2. Corporate Sponsorships

Corporate sponsorship has become an essential marketing tool in the highly congested marketing communication world and is now considered one of the most important tools for a corporation's marketing communication strategy. In fact, research indicates that sponsorship can be a highly cost-effective means of marketing communication (Benett, 1999; Marshall & Cook, 1992; Meenaghan, 1991; Thwaites, 1995). Lyberger and McCarthy (2011) indicate that in international marketing, sponsorship is essential for a brand's global exposure at a lower cost than through more traditional advertising methods. As an example, the most recent

World Cup reached 3.2 billion people in more than 200 countries making the event one of the most cost effective communication tools. Corporate sponsorships and events have become a popular form of public relations and sales promotions in recent years. It's clear that there are some companies that use sponsorship activities as part of traditional public relations objectives, but there also exist a growing number of companies that are especially focused on marketing oriented goals.

Sponsorship enables a corporation to achieve numerous goals including increasing brand awareness (Cornwell, Roy, & Steinhard, 2001; Dean, 2002); enhancing brand recall and loyalty, and developing a positive attitude toward the sponsor (Cornwell et al. 2001); developing a positive affect towards the company and their products and services; assessing consumer purchase intentions and; boosting sales (Gwinner & Swanson, 2003); and developing a halo of goodwill (IEG, 2011); (Meenaghan, 2001; Rifon, Choi, Trimble, & Li, 2004; Speed & Thompson, 2000). As Levin, Joiner and Cameron (2001) and Neijen, Smit and Moorman (2009) indicated a corporation can benefit from sponsorship by associating its brand with a specific event. Furthermore by sponsoring corporate events such as sporting events, causes, the arts, festivals and annual events, etc., firms can create a positive image of commitment to corporate social responsibility (CSR) with their customers, which has a positive influential effect on them (Chomvilailuk & Butler 2010). Finally, sports sponsorship enables a firm to link the aspiration and passion of its customers to specific sporting events (Arun, 2004; Kim & Trail, 2010). One undisputed benefit of sponsorship is that there is public approval. A study conducted by Roper Starch Worldwide indicates that 80 percent of Americans believe corporate sponsorship is an important source of money for professional sports (Roper Starch Worldwide, nd). This approval rating is much higher than what most companies would get for their own advertising program. The advantages of sponsorship outweigh any other marketing communications tool due to the ability of sponsorships and events to involve customers, prospects, and other stakeholders. Marketers that define their audiences tightly are able to select those sponsorships that offer a close fit to their audience. A significant benefit that evolves is the opportunity to enhance the company's public image or promote its positioning through affiliation with a proper event. Marketers that try to sponsor an event solely because it holds a large audience are misapplying this tool (Duncan & Moriarty, 1997).

An important effect that is often left unnoticed is the effect sponsorship can have on employees. Affiliation with a spirited event can really uplift the morale of employees and increase self-esteem. Many companies present an opportunity for employees to attend the events (Super Bowl, Olympics, etc.) as motivation for their sales staff. Marketers have found

out that sponsorships can swiftly convert fan loyalty into sales. For example, 74 percent of stock-car racing fans have reported that they often buy products they see promoted at the racetrack. This holds true for other sports as well: 58 percent for baseball, 52 percent for tennis, and 47 percent for golf. Sponsorships can be very cost-efficient due to the high media exposure at a comparatively low cost. Volvo International believes the media exposure it gets from its \$3 million sponsorship of local tennis tournaments is equivalent to \$25 million worth of advertising time and space. PepsiCo has been the top U.S. sponsorship spender for several years. Other top sponsors are listed in Table 1.

Company	Amount(\$ millions)
PepsiCo	\$370–\$375
Anheuser Busch	\$360–\$365
Coca-Cola	\$275–\$280
Nike	\$260–\$265
AT&T	\$200–\$205
Toyota	\$195–\$200
Addidas	\$190–\$195
Ford	\$155–\$160
General Motors	\$150–\$155
Verizon	\$145–\$150

Source: Adapted from “Sponsorship’s Big Spenders: IEG’s Top Sponsor Rankings”, by IEG, 2016, Retrieved from <https://www.sponsorship.com/IEGSR/2016/09/19/Sponsorship-s-Big-Spenders--IEG-s-Top-Sponsor-Rank.aspx>.

Though sponsorship is an effective marketing tool, its rights are not accessible to all companies. Due to large investment requirements and existence of exclusivity, many corporations are unable to associate themselves with major national and international events such as the World Cup Soccer, Olympic Games, Tennis Grand Slam (Australian Open, French Open, Wimbledon, and US Open), Super Bowl, PGA, Tour de France, and Formula1. Therefore, these companies seek alternative strategies to capitalize on the popularity of such events by being the “unofficial sponsors” (Bayless, 1988). Unlike sponsorship, unofficial sponsorship is a marketing campaign that takes place around an event but does not involve payment of a sponsorship fee to the event. Previous studies indicate that consumers are often confused or have misperceptions about official sponsors (Meenaghan, 1996). Hence, official sponsors may face a marketing challenge whereby they have to ensure that their customers recognize them as sponsors and develop favorable attitudes toward their brands (Pitt, Parent,

Berthon, & Steyn, 2010; Schmitz, 2005). The effect of sponsorship on consumer company identification and brand attitude were found to be greater in the high corporate social responsibility reputation than in the low corporate social responsibility reputation (Lii & Lee, 2012). This is a practically important issue because if consumers do not recognize sponsors correctly, their brand preference could be different from what it would have been if the correct sponsorship is identified.

The problem with co-sponsored events is clutter. Some events have so many sponsors that getting a singular marketer's message through is especially challenging (Arens & Weigold, 2018). Take a look at the picture of the car below. How many logos does this car sport?



Courtesy of Darren Garlick at <https://www.flickr.com/photos>

Transparency and accountability are two of the greatest obstacles sponsors face in the area of sponsorship. As corporations increase their investment in sponsorship, they will be subject to more stakeholder financial scrutiny and review in order to accurately determine the effectiveness of sponsorship activities (Meenaghan, 2013).

Finally, evaluating the effectiveness of a particular sponsorship can be risky at best. The difficulty is in separating the effects of a sponsorship from the effects of other coincident marketing activities. Although sponsorship has several benefits, firms cannot always be sure that their sponsorship programs are effective. Previous studies indicate that consumers are often confused or have misperceptions about official sponsors (Meenaghan, 1996). Thus official sponsors may face a marketing challenge whereby they have to ensure that their

customers recognize them as the sponsor and develop a favorable attitude towards their brands (Pitt et al., 2010; Schmitz, 2005). Interestingly, the effect of sponsorship on consumer company identification and brand attitude were found to be greater in firms that ranked high in corporate social responsibility reputation than in firms that ranked low in corporate social responsibility reputation (Lii & Lee, 2012). The effectiveness of sponsorship is discussed in more detail later on under the sponsorship research section of this chapter.

Although sponsorship has several benefits, firms cannot always be sure that their sponsorship programs are effective. Previous studies indicate that consumers are often confused or have misperceptions about official sponsors (Meenaghan, 1996). Thus official sponsors may face a marketing challenge whereby they have to ensure that their customers recognize them as the sponsor and develop a favorable attitude towards their brands (Pitt et al., 2010; Schmitz, 2005). Interestingly, the effect of sponsorship on consumer company identification and brand attitude were found to be greater in firms that ranked high in corporate social responsibility reputation than in firms that ranked low in corporate social responsibility reputation (Lii & Lee, 2012).

3. The Growth of Sponsorship

Sponsorship is the fastest-growing form of sales promotion. Studies estimate global sponsorship expenditures at \$65 billion in 2019 (Two Circles Data Driven Sports, n.d.). As one can see from Table 2 sponsorship expenditures across all categories have increased in North America. Other parts of the world are also likely to experience increases as North America in Table 3. As seen in Figure 1, sponsorships of sports events are accountable for most of the spending. North American sport sponsorship amounts to \$17.05 billion, which undoubtedly accounts for the major bulk of sponsorship expenditures.

	2014	2015	2016	2017	2018
Sports	14.35	14.99	15.70	16.26	17.05
Entertainment	2.05	2.13	2.22	2.29	2.40
Causes	1.85	1.92	1.99	2.05	2.14
Arts	0.92	0.94	0.96	0.99	1.03
Festival, fairs, annual events	0.85	0.86	0.88	0.90	0.94
Associations and membership organizations	0.57	0.59	0.60	0.62	0.64

Source: Adapted from “Signs Point To Healthy Sponsorship Spending in 2018”, by IEG, 2018. Retrieved from <https://www.sponsorship.com/Report/2018/01/08/Signs-Point-To-Healthy-Sponsorship-Spending-In-201.aspx>.

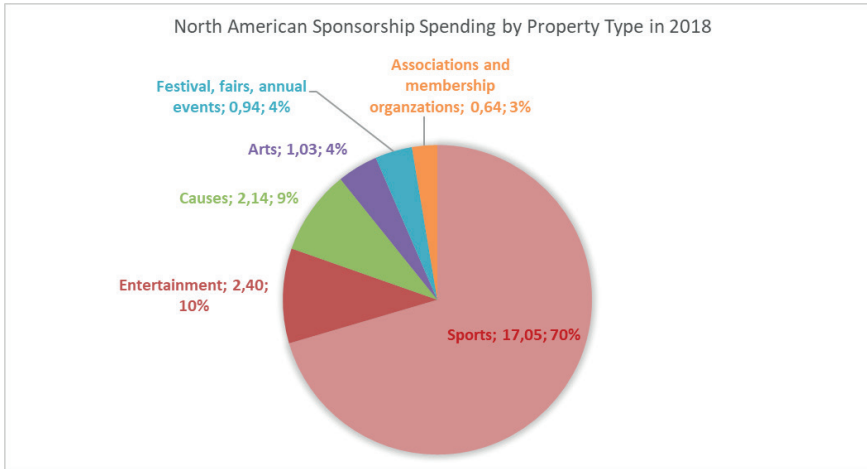


Figure 1: Types of Sponsorship Expenditures

Source: Adapted from “Signs Point to Healthy Sponsorship Spending in 2018”, by IEG, 2018. Retrieved from <https://www.sponsorship.com/Report/2018/01/08/Signs-Point-To-Healthy-Sponsorship-Spending-In-201.aspx>.

As shown in Figure 1, the category of sponsorship spending that companies spend the most amount of money on is sports with \$17.05 billion, which is 70% of their total sponsorship expenditure. It can be seen in the table above that this expenditure has been increasing at a high rate for the past few years. On the other hand, entertainment sponsorship is the next category that the most money is spent on with \$2.4 billion, which is 10% of their total sponsorship expenditure, and this expenditure is not increasing nearly as fast as sports. Expenditure on causes is \$2.14 billion at 9% and is seeing just about the same increase as entertainment. Expenditure on arts is \$1.03 billion and is 4% of the total. “Festivals, fairs, annual events,” and “associations and membership organizations” is \$0.94 billion at 4%, and \$0.64 billion at 3% respectively.

	2016 Spending	2017 Spending	Increase from 2016	2018 Spending Projected	Increased from Projected
Europe	\$16 billion	\$16.7 billion	4.5%	\$17.6 billion	5.1%
Asia Pacific	\$14 billion	\$15.7 billion	5.8%	\$16.6 billion	5.7%
Central/South America	\$4.4 billion	\$4.5 billion	3.4%	\$4.6 billion	3.3%
All Other Countries	\$2.6 billion	\$2.7 billion	3.3%	\$2.8 billion	3.5%

Source: Adapted from “Signs Point To Healthy Sponsorship Spending In 2018,” by IEG , 2018. Retrieved from <https://www.sponsorship.com/Report/2018/01/08/Signs-Point-To-Healthy-Sponsorship-Spending-In-201.aspx>.

Corporate sponsorship is a very worthwhile business. Total global sponsorship expenditures, made by event organizers were \$60.15billion in 2016, up from \$65.8 billion in 2018. According to IEG’s 29th annual year-end industry review and forecast, in North America, the total dollars spent on corporate sponsorship has grown from \$17.2 billion (2010) to \$20.6 billion (2014 projected). Although corporate sponsorship dollars have increased annually from 2010 to 2014, the growth rate of sponsorship dollars has actually declined from 5.5% (2010) to 4.3% (2014 projected), (IEG, 2014). Globally, corporate sponsorship has grown from \$46.3 billion (2010) to \$55.3 billion. Similar to North America, the growth rate globally has declined from a 5.1% increase in 2010 to 4.1%, (IEG, 2014). Figure 2 shows that North American sponsorship spending over last 5 years.

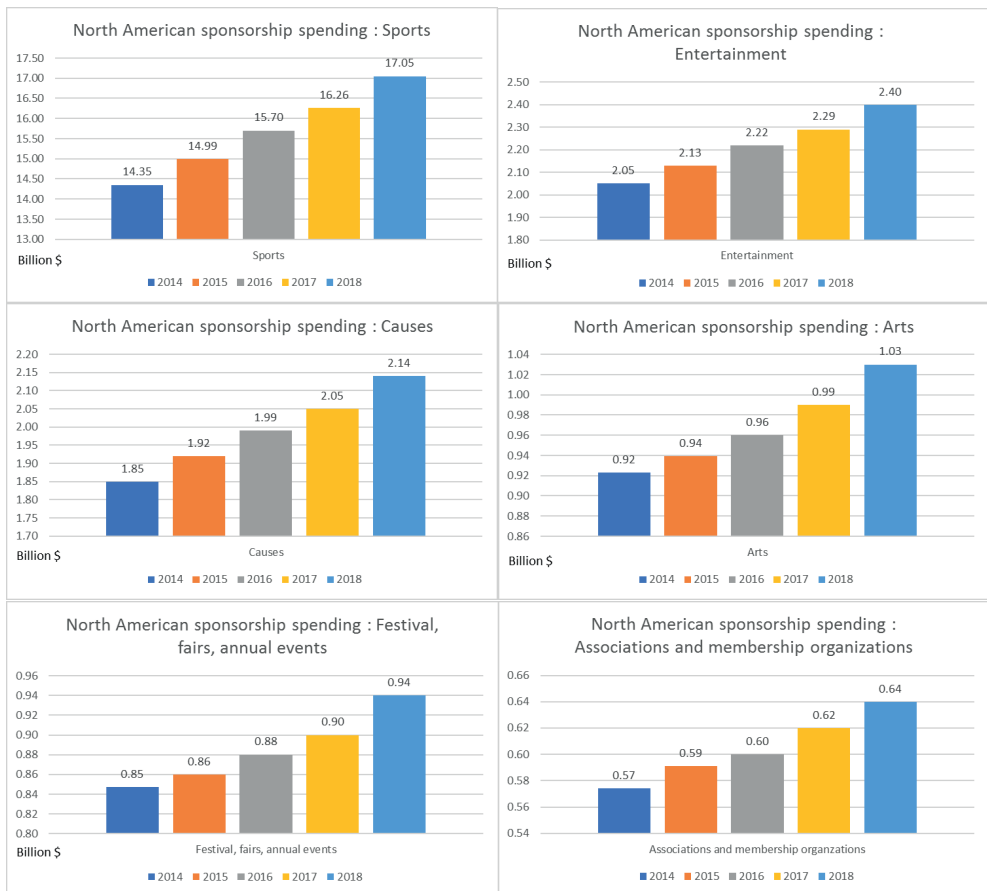


Figure 2: North American sponsorship spending over last 5 years

Source: Adapted from “Signs Point to Healthy Sponsorship Spending in 2018”, by IEG, 2018. Retrieved from <https://www.sponsorship.com/Report/2018/01/08/Signs-Point-To-Healthy-Sponsorship-Spending-In-201.aspx>.

4. Sports Sponsorship

There are numerous ways companies can sponsor sports; sponsorship of a sport in general, sponsorship of a sport in particular, sponsorship of a competition within a sport, sponsorship of a team, and sponsorship of an individual sportsman (Abratt et al., 1987). Based on the statistics given earlier about the involvement of sports activities and events in North America, it is not such a shocking observation that sports sponsorship is the category that companies spend the most resources on.

Generally, the focus is on sponsoring a competition with global followers, such as the Olympic Games, or the World Cup. As one might expect, the general focus of most companies is to sponsor a competition with global followers (Olympic Games, World Cup, Tour de France, Tennis Grand Slam, PGA Tour, and Formula One.). Numerous clubs are currently traded on an open market in stock trades. The main reason for this is the salary that the clubs gain from television broadcasting rights. For instance, in 2012 Manchester United obtained £104 million in television income alone (Ozanian, 2013). The best soccer players get compensations equivalent to, or sometimes even considerably more than, high status CEOs. There are numerous multi-billion dollar soccer clubs such as Real Madrid (\$3.3 billion), Manchester United (\$3.1 billion), and FC Barcelona (\$2.6 billion) (Ozanian, 2013). These multi-billion dollar clubs would not exist if not for the support of hopeful and enthusiastic firms. Events such as the Olympic Games or Champions League may not even be as popular as they are today if not for sponsorship marketing. Companies or organizations tend to have the stubborn demand to be the essential supporter of a group or an event; this desire increases resources spent on sponsorships, and undoubtedly creates a bitter and enthusiastic rivalry (Bukenas, 2014).

5. Team Jerseys' Sponsorship

In Europe, advertising on soccer team jerseys, and other sports has been used for more than 30 years as a separate category of sponsorship (Bell, 2006). According to Forbes, the category in soccer alone has reached \$930 million in 2016, up 13% from previous year. Manchester United and Barcelona ranked top for such deals. In principle, jersey sponsorship is used to showcase or expose a firm or its brands. Compared to Europe, the concept of game day jersey sponsorship in the United States is relatively new. Major League Soccer Clubs and corporate partners Volkswagen, Best Buy, Alaskan Airways have signed jersey sponsorship deals in last decade (Igel, 2011). Recently, the Philadelphia 76ers has become the first team in the NBA to strike a deal with StubHub for jersey sponsorship.

Sports Jersey advertising has many benefits; it can be seen by fans attending the game, as well the television viewing audience. In addition to this, supporters buying official team jerseys become free walking advertising media. Previously, the largest revenue generating activities for European soccer teams was the transfer of players between teams, followed by ticket sales, radio and television broadcasting rights. In the past, most of the European Soccer Club finances were dependent on the financial capabilities of the club President and Board of Directors. Once these teams transition from a smaller, one man operation to a large corporate business model, team merchandise sales and jersey sponsorship have become more important revenue sources. In the 2007-08 season, the price paid for jersey sponsorship in the United Kingdom, Germany, Italy, France, Spain, and the Netherlands increased by a total of 10.6 percent reaching 405.3 million Euros. Total jersey sponsorship revenue in the UK was 97.5 million Euros, 95.5 million in Germany, 71.8 million in Italy, 51 million in France, 50.2 million in Spain, and 39.5 million in the Netherlands. More than twenty percent of this revenue was shared amongst the top six soccer clubs: Manchester United (AIG – 20.8 million), Chelsea (Samsung – 14.5 million), AC Milan (Bwin -15 million), Schalke (Gazprom – 12 million). In 2010 jersey sponsorship across the European Soccer Leagues increased to 470.7 million Euros (Sarginson, 2010). English Soccer teams were the largest recipient of this 470.7 million, receiving 128 million Euros (Sport+Market, 2011). The English Premier League was followed by the German Bundesliga with 118.5 million Euros, Serie A Italy, 65.9 million, Ligue 1 France 58.8 million, La Liga Spain 57.5 million, Enevise Netherlands 42 million. Banking and gambling are two industry sectors which dominate soccer jersey sponsorship (Gillis, 2010). Manchester United generates the highest income from jersey sponsorship in Europe. However, after the economic banking crisis of 2008, which created major financial difficulties for the insurance conglomerate AIG, both AIG and Manchester United agreed to mutually terminate their sports jersey sponsorship agreement. Since Manchester United is such a popular soccer club, they were able to sign a four year \$130 million jersey sponsorship agreement with an international risk management and consulting company, AON.

The Turkish Super League is a professional league for Turkish Soccer clubs. It is one of the top leagues in the UEFA (United European Football Association). Like their European counterparts, one of their most important income generating activities is the jersey sponsorship. In 2018 Fenerbahce signed a year-long, €5.45 million jersey sponsorship agreement with Avis, a well known global car rental company (Spotlight Resources, 2018). Vodafone, current sponsor of Besiktas, renewed a two-year sponsorship contract for 36

million Turkish Lira (Spotlight Resources, 2019). In 2008, Galatasaray signed a 5-year sponsorship deal worth \$40 million with Türk Telekom, a Turkish telecommunications company which include the naming rights to the new stadium and a shirt sponsorship, so that Türk Telekom logo will replace the current one, Avea, in Galatasaray jerseys next year, when the club's deal with the Turkish mobile phone operator is done. Recently in 2018, Galatasaray signed a multi-year deal with world-famous cosmetic company Jeunesse Global. According to the agreement, Jeunesse will benefit from stadium signage, strategic player product endorsements and a VIP room at stadium. The company's branding will also be visible on television broadcasts featuring Galatasaray and on the team's social media channels., The deal includes both the naming rights of their new stadium, and a jersey sponsorship (Spotlight Resources, 2018). On June 1, 2009, the Turkish Soccer Federation also allowed company logos to be placed on the back of team jerseys, as well as on the shoulders. Logos are also allowed to be placed on the front of team shorts, but not on the rear side. In addition, teams will be allowed to have different sponsors for both home and away jerseys. It is estimated that these rule changes will increase the revenues of the Turkish soccer clubs by up to as much as fifty percent.

6. Stadium Sponsorship

It is evident that a company's communication strategy that focuses on sponsorship creates an influential effect on the consumer's response (Chomvilailuk & Butcher, 2010). Stadium sponsorship, particularly, may provide firms with continuous visibility and benefits of goodwill which results from the financing of the stadium in return for naming rights (E.M. Leeds, Leeds, & Pistolet, 2007). Moreover, stadium sponsorship may be a very cost effective tool in that an average \$2 million investment can help firms reach hundreds of thousands of sport fans. Recent data show that firms invested approximately \$200 million in 71 stadium sponsorships in the United States for the current year (Entertainment and Sports Programming Network (ESPN), 2013). Considering that sponsorship expenditures on the four major US pro-sports leagues totaled \$2.62 billion in the same time frame (IEG, 2013a), stadium sponsorship is still in its infancy, though growth is expected as it becomes an alternative to other sponsorship forms that already suffer from clutter (Clark, Cornwell, & Pruitt, 2002). Stadium sponsorship refers to "a transaction in which money or consideration changes hands in order to secure the right to name a sports facility" (Thornburg, 2003). The objectives of stadium sponsorship are very similar to those of other sponsorship activities. Previous studies have shown numerous benefits of stadium sponsorship including awareness (Cheng & Zhang, 2011; Lefton, 1999), image enhancement (Welch & Calabro, 1997), direct on-site sales

(Deckard, 2001), consistent presence of the brand (Gore, 1996), and halo of goodwill (IEG, 2013b; Speed & Thompson, 2000). Hence, a firm can reap the benefits of sponsorship by associating its brand name or corporate name with the stadium in return for brand preference and purchase intention (Keller, 2003; Morales, 2005). Though there is an increasing research attempt to determine the effects of stadium sponsorship, most studies focus either on ROI (Clark et al., 2002; E.M. Leeds et al., 2007) or on anecdotal evidence. Further, there is no comprehensive theoretical study that examines the effectiveness of stadium sponsorship in generating favorable attitudes toward the sponsor and brand equity. Furthermore, congruence theory posits that the perception and expectations of the sport participants (or target customers) determine the outcome of sponsorship. In other words, a strong fit between a sponsor and a stadium sponsorship may create more favorable attitudes toward the sponsor and its brands than does a weak fit (Mazodier & Meruka, 2012; Speed & Thompson, 2000). Hence, sponsor-sponsored stadium fit represents a key variable in determining consumer response. In addition, evidence suggests that sponsorship results in a better consumer response when the level of involvement with the event is high (Meenaghan, 2001; Bennett, 1999). In applying involvement theory to stadium sponsorship research needs to establish how consumer involvement with the sporting event that takes place in the sponsored stadium affects consumer response. A sample of names of the stadium/arenas, sponsor companies, sponsored teams and cities, dollars amount paid for the agreement and sponsorship expiration date appear in Table 4.

<i>Stadium/Area Name</i>	<i>Sponsor Co.</i>	<i>Team/City</i>	<i>Sponsorship Agreement</i>	<i>Ending Year</i>
American Airlines Arena	American Airlines	Miami Heat	\$2.1 million	2019
American Airlines Center	American Airlines	Dallas Mavericks, Stars	\$6.5 million	2031
America West Arena	America West	Phoenix Suns, Coyotes, Mercury	\$866,667	2019
Amerquest Field	Amerquest Capital Corp.	Texas Rangers	\$2.5 million	2034
Bank of America Stadium	Bank of America	Carolina Panthers	\$7 million	2024
Citizens Bank Park	Citizens Bank	Philadelphia Phillies	\$2.3 million	2028
Conseco Fieldhouse	Conseco	Indiana Pacers, Fever	\$2 million	2019

FedEx Field	Federal Express	Washington Redskins	\$7.6 million	2025
FedEx Forum	Federal Express	Memphis Grizzlies	\$4.5 million	2023
Wachovia Center	Wachovia Bank	Philadelphia 76ers, Flyers	\$1.4 million	2023
Ford Field	Ford Motor Co.	Detroit Lions	\$1 million	2042
Heinz Field	H.J. Heinz	Pittsburgh Steelers	\$2.9 million	2021
HP Pavilion	Hewlett-Packard	San Jose Sharks	\$3.1 million	2016
HSBC Arena	HSBC Bank	Buffalo Sabres	\$800,000	2026
Invesco Field at Mile High	Invesco Funds	Denver Broncos	\$6 million	2021
Jacobs Field	Richard Jacobs	Cleveland Indians	\$695,000	2014
Lincoln Financial Field	Lincoln Financial Group	Philadelphia Eagles	\$6.7 million	2022
M & T Bank Stadium	M & T Bank	Baltimore Ravens	\$5	2018
Miller Park	Miller Brewing	Milwaukee Brewers	\$2.1 million	2020
Minute Maid Park	Coca Cola	Houston Astros	\$6 million	2030
Pepsi Center	PepsiCo	Denver Nuggets, Colorado Avalanche	\$3.4 million	2019
Petco Park	PETCO	San Diego Padres	\$2.7 million	2026
Phillips Arena	Royal Phillips Electronics	Atlanta Hawks, Thrashers	\$9.3 million	2019
PNC Park	PNC Bank	Pittsburgh Pirates	\$2 million	2020
Qualcomm Stadium	Qualcomm	San Diego Padres, Chargers	\$900,000	2017
Raymond James Stadium	Raymond James Financial	Tampa Bay Buccaneers	\$3.1 million	2026
Reliant Stadium	Reliant Energy	Houston Texans	\$10 million	2032
Safeco Field	Safeco Corp.	Seattle Mariners	\$2 million	2019
SBC Center	SBC Communications	San Antonio Spurs	\$2.1 million	2022
Staples Center	Staples	Los Angeles Lakers, Kings, Clippers, Sparks	\$5.8 million	2019
St. Pete Times Forum	St. Petersburg Times	Tampa Bay Lightning	\$2.1 million	2014
Tropicana Field	Tropicana	Tampa Bay Devil Rays	\$1.5 million	2026
United Center	United Airlines	Chicago Blackhawks, Bulls	\$1.8 million	2014
U.S. Cellular Field	U.S. Cellular	Chicago White Sox	\$3.4 million	2025
Source: Adapted from "Stadium naming Rights," by ESPN, 2003. Retrieved from https://www.espn.com/sportsbusiness/s/stadiumnames.html .				

The sponsorship agreement to a club and the title sponsor is clear if the partnership can last its distance. Even so, these types of long-term and high-profile arrangements create a raft of potential legal and commercial issues. Given that the fundamental concept of a

sponsorship deal is to enhance market reputation, an essential issue relates to situations when actions (or omissions) of one of the parties threaten to deteriorate, by association, the goodwill and reputation of the other. In these circumstances, the million-dollar question is: how easily can either the club or the sponsor disassociate themselves from each other (Powell, 2019). There have been multiple cases in North America in which clubs or venues have sought to disassociate themselves from naming rights partners who were subject to bankruptcy proceedings, including the Tennessee Titans in the case of the Apeldphia Coliseum, the Rams in the case of the *Trans World Dome* and the Houston Astros in case of Enron Field. (Wang, 2002).

In March 2019, the *United Airlines Memorial Coliseum* (formerly the *LA County Memorial Coliseum*) was subject to public protests, including politicians and World War I veterans groups raising arguments that the change of name is disrespectful and changing the fabric of a national heritage sight. It's very interesting that a 16 year, \$69 million naming rights deal can be ended by public pressure alone (Associated Press, 2019). In contrast, a title sponsor can dissever itself from a "rogue" club or venue, or one with a damaged reputation, to avoid or limit any negative linked publicity. The reputation of a stadium or club, and by association its title sponsors, may be impacted by various possible issues, examples which could include (Powell, 2019):

- Misconduct of high-profile professional players employed by the club
- Bad behavior of supporters: recent examples in the news in the UK of soccer supporters' actions causing possible reputational damage by association, including a supporter invading the pitch at the *Emirates Stadium* during play and assaulting Chris Smalling. EPL Club Chelsea FC has had to deal with being associated with a number of its supporters who have been the subject of police investigations for racial hate crimes.
- Corporate Misdemeanor: for example, penalties being imposed on certain corporations relating to money laundering offences.
- Safety and security issues: for example, there have been a tragic number of terrorist attacks, including in the *Stade de France* stadium in Paris in 2015.

7. Sponsorship Research

Previous research shows that company sponsorship has the potential to be a high cost-effective method for marketing communication (Marshall & Cook, 1992; Meenaghan, 1991;

Thwaites, 1995). For example, promotional materials issued by the Visa credit card company featuring Olympic Game sponsorship were 17 percent higher than for a control group without Olympic sponsorship images (Bennett, 1999). The main focus of previous research has been the impact of brand awareness through sponsorship (Cornwell & Coote 2005; Gwinner & Swanson, 2003; Madrigal, 2000, 2001; Pham & Johar, 2001; Rifon et al., 2004). Past studies have also observed psychological theories and conceptual frameworks to define how a consumer reacts towards a sponsorship activity, and whether or not the promoted event modifies consumer purchasing intentions and buying behavior (Cornwell & Coote 2005; Gwinner & Swanson, 2003; Madrigal, 2000, 2001; Speed & Thompson 2000).

An event study was conducted on the football event “La Liga” in order to measure the effect of an economic event on the value of a firm; this study has been widely used in the fields of accounting, finance, and marketing (Bukenas, 2014). The result of the study determined that a positive abnormal exists on returns after every Champions League game. This finding can be used by a company to determine the pricing of sponsorship agreements to set the best marketing strategies.

Aligned with the previous studies, Groot and Ferwerda (2015), in their study “Soccer Jersey Sponsors and the World Cup,” focused on the business sector for soccer shirts, shoes and gears as a multi-billion business sector, in which the three noteworthy organizations are Adidas, Nike and Puma. One approach to expand deals and ensure or raise the price of the overall industry is to support national teams. In opposition to games in club rivalries, at World Cup competitions no other marking than the logos of the jersey sponsor on the uniform is permitted. Rather than a two-path causality as allied rivalries, there is just a restricted causality for national teams, where more grounded performing national teams get higher sponsorship charges than others, yet not one or the other sort of patrons nor the expense itself ought to affect the execution. On the same balance, brands of fabrics are unrealistic to significantly affect the execution of chess players. The results have shown that in the last four World Cup tournaments, the national teams sponsored by Adidas performed significantly better than expected, while the teams sponsored by any other company than Adidas, Puma or Nike did not perform well.

Most sponsorship studies have been focused on measuring the attitudes of loyal fans in order to understand their reactions to abstract sponsors; the studies conducted in this field have examined the relationships between attitudinal and behavior loyalty with sponsorship awareness, attitude towards actual jersey sponsors, and purchase intentions (Biscaia, Correia, Rosado, Ross, & Maroco, 2013).

Along with the increased expenditures have come a number of methods for measuring the impact of sponsorships. Essentially, measures of sponsorship effectiveness can be categorized as exposure-based methods or tracking measures (Frutkin, 2007):

Exposure methods: Exposure methods can be classified as those that monitor the quantity and nature of the media coverage obtained for the sponsored event and those that estimate direct and indirect audiences. While commonly employed by corporations, scholars have heavily criticized these measures. For example, Michel Pham argues that media coverage is not the objective of sponsorships and should not be considered as a measure of effectiveness. He argues that the measures provide no indication of perceptions, attitude change, or behavioral change and should therefore not be considered as measures of effectiveness (Belch, 2018).

Tracking measures: These measures are designed to evaluate the awareness, familiarity, and preferences engendered by sponsorship based on surveys.

A number of empirical studies have measured recall of sponsors' ads, awareness of and attitudes toward the sponsors and their products, and image effect, including brand and corporate images. A number of companies now measure the effectiveness of sports and other sponsorships. For example, companies assign a value referred to as media equivalency and assign a monetary value to the amount of exposure the sponsor receives during the event. They review broadcasts and add up the number of seconds a sponsor's product name or logo can be seen clearly (for example, on signs or shirts). A total of 30 seconds is considered the equivalent of a 30-second commercial. (Such measures are of questionable validity.) As with all other IMC touch points, marketers would like to measure the ROI of event sponsorships. But—like these other means of communication—this is usually not possible, so the focus will be on other more communication-oriented objectives.

SponsorMap, a company that measures effectiveness utilized a Sponsorship Performance Matrix (see Figure 3) that uses the vertical axis to measure passion. The emotional attachment of the consumer towards a sports team, event, etc. dictates how high or low the Passion Index is. The horizontal axis measures sponsor appreciation, also called Gratitude Index. According to SponsorMap, companies can achieve more appreciation by being more active, creating more goodwill (Belch, 2018).

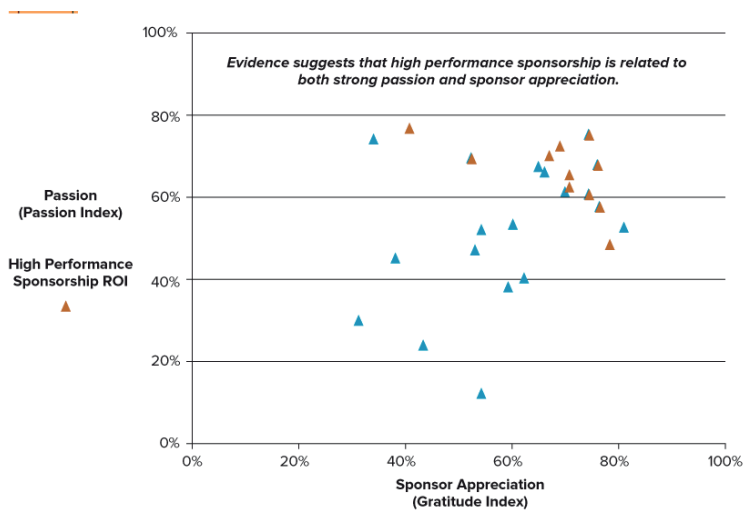


Figure 3: Sponsorship Performance Matrix

Source: Adapted from *Advertising and Promotion: An Integrated Marketing Communications Perspective*, by G. Belch, 2018, McGraw-Hill Higher Education.

As seen in Figure 3, the sponsor would increase effectiveness of the sponsorship by reaching the top right corner. According to the matrix, a direct correlation exists between high performance sponsorship, strong passion, and sponsor appreciation.

Tracking the number of website visits and buzz generated are also criterion that have been used. While each of these measures has its positives and negatives, most are not detailed enough. Most marketers limit their sponsorship evaluations to brand recognition and impressions. The main question that must be asked is “how do you do sponsorships that build brand equity and maintain financial responsibility?” (Steinberg & Hampp, 2007).

Belch (2018) suggests an eight-step process in the following guide to be used in these evaluations.

1. *Narrowly define objectives with specifics.*
2. *Establish solid strategies against which programming will be benchmarked and measure your programming and effectiveness against the benchmark.*
3. *Set measurable and realistic goals; make sure everything you do supports them.*
4. *Enhance, rather than just change, other marketing variables.*
5. *Don't pull Marketing Plan 101 off the shelf. Programming should be crafted to reflect the particulars of your company's constituencies and target audiences.*

6. *Define the scope of your involvement. Will it involve multiple areas within the company? Who internally and externally constitutes the team?*
7. *Think “long term.” It takes time to build brand equity. Also, think of leveraging your sponsorship through programming for as long as possible, before and after the event.*
8. *Build evaluation and a related budget into your overall sponsoring program. Include items such as pre-and post-event attitude surveys, media analyses, and sales results.*

8. A Success Story of Corporate Sponsorship: Turkish Airlines

Past studies indicate that airlines are one of the most regular users of corporate sponsorship techniques to create not only awareness among the flying public but to establish brand loyalty, preference and positive purchase action. Turkish Airlines uses several forms of sponsorship events to build a positive corporate image, as highlighted in Turkish Airlines Global Sponsorship Activities (Exhibit 1).

Turkish Airlines is a prime example of a company that has used its resources on sponsorship activities for corporate growth. In recent years, Turkish Airlines has invested heavily on global sports sponsorship (Euroleague Basketball, UEFA European Championships, etc.). Turkish Airlines has also been associated with the best athletes in the world for many years. Soccer icon Lionel Messi and NBA superstar Kobe Bryant are the airline’s most visible endorsers, the two starring in a commercial together.

In a bid for market growth and development, Turkish Airlines has been involved in multiple sport event sponsorships. These steps have enabled the airline to build a strong brand image and expand title familiarity among the public, leading to the successful growth of the company. Figure 4 shows that when sponsorship events are occurring, Turkish Airlines (THY) passengers and destinations see a dramatic growth in a positive direction.

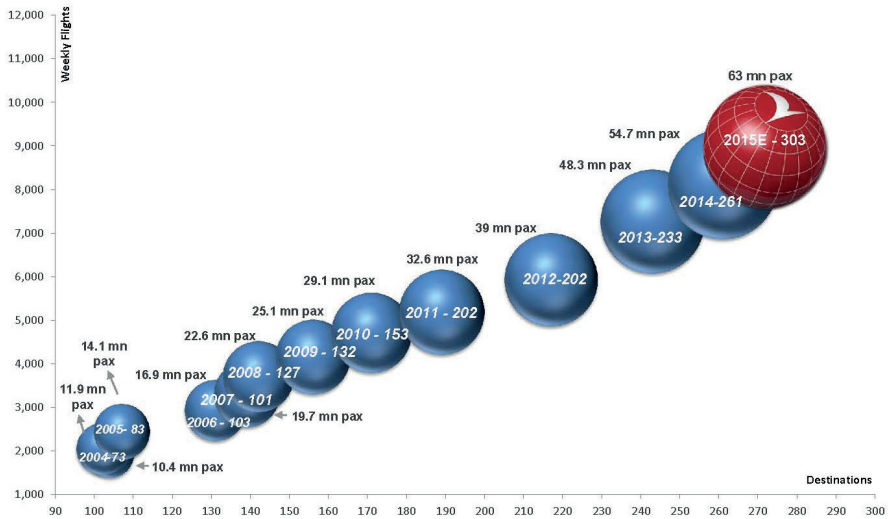


Figure 4: Turkish Airlines Passengers and Destination Growth

Source: Adapted from “TURKISH AIRLINES 1Q’15 Results Summary”, by THY, 2015. Retrieved from http://investor.turkishairlines.com/documents/ThyInvestorRelations/download/sunumlar/IR_PRESENTATION_1Q15.pdf

As a result of successful sponsorship activities and overall company performance Turkish Airlines has held the title of Europe’s Best Airline for four consecutive years, and it is perfectly reasonable that company aligns with the best and most recognizable sports figures in the world. Signing sponsorship agreements with global sports stars like Lionel Messi, Didier Drogba, Kobe Bryant, and Caroline Wozniacki ground Turkish Airlines’ leading position as one of the world’s fastest growing airlines flying to a number of countries across the globe. Exhibit 1 shows detailed sports sponsorship activities of Turkish Airlines during this period.

Exhibit 1: Turkish Airlines Global Sports Sponsorship Activities***Turkish Airlines Sports Event Sponsorships***

FIBA World Championships. Turkish Airlines was among the main sponsors of 2010 FIBA World Championships which was held in Turkey.

UEFA Champions League. Turkish Airlines will be the official airline sponsor of the UEFA Champions League for a term of three years. The UEFA board of directors has decided that Turkish Airlines will be the official airline sponsor of the UEFA Champions League, which is considered one of the most prestigious football leagues in the world. The sponsorship aims to “contribute to our global brand awareness and brand perception. The value of the three-year deal has not been revealed, but current Champions League sponsor packages are currently between €55-65 million per season.

Euroleague Basketball. On 26 July 2010, Turkish Airlines and Euroleague Basketball announced a €15 million strategic agreement to sponsor the top European basketball competition across the globe. According to the agreement, starting with the 2010–11 season, the top European competition was named Turkish Airlines Euroleague Basketball. The agreement was signed for a ten-year period with a five-year option. Similarly, under this agreement, the Euroleague Final Four playoffs will be conducted under the name “Turkish Airlines Euroleague Final Four” whereby the new league title appears in all media accordingly. This title partnership runs for five seasons, with the option of extending it to an additional five years. In 2013 Turkish Airlines has signed a new five-year deal to continue as the title sponsor of the Euroleague, Europe’s top club basketball competition. Turkish Airlines remained the main sponsor of the pan-continental competition until 2020, taking the relationship between the airline and competition organisers Euroleague Basketball to ten years. With this agreement Turkish Airlines has also become the main sponsor of Euro Cup, the biggest basketball competition in Europe after Euroleague. This sponsorship deal is one of the biggest sponsorships in basketball history. According to the agreement Turkish Airlines will pay a total of some €37.5 million over the seven years, with the annual fee set to rise year-on-year. The vast portion of that sum will be paid in cash, with around five per cent comprised of value-in-kind services such as flights and marketing spend.

bj Japanese Basketball League. In 2014, Turkish Airlines has agreed to become the title sponsor for the bj-league (Japanese Basketball league for two seasons. The bj-league unveiled a new official logo that includes Turkish Airlines as a major component of it. Turkish Airlines becomes by far the biggest company to become affiliated with a league featuring teams in 22 of Japan’s 47 prefectures. Financial terms of the deal were not disclosed. Despite its struggles to gain sustained major media coverage within Japan, the airline’s title sponsorship could be a catalyst to boost the bj-league’s brand name and recognition on a global scale.

PTT Thailand Open. In 2010 Turkish Airlines signed an agreement with PTT Thailand Open to be a platinum sponsor of 2010 tennis tournament, which was held between 25th September and 3rd October at IMPACT Arena, Muang Thong Thani in Thailand. In 2010 PTT Thailand Open promised to be bigger and better than ever, as the interest in tennis grows in both Thailand and around the world. PTT Thailand Open, became to be highly competitive and exciting event having attracted such players as World number 1 player Rafael Nadal. Turkish Airline is on the way to becoming a key airline player in Thailand and this tennis event conveyed the company even closer to both the Thai and expatriates living in Thailand. In addition to sponsoring the event, Turkish Airlines is also offering a total of fourteen airline tickets to Europe for lucky winners who join the PTT Thailand Open this year. At the Turkish Airlines booth, simply by filling in a boarding pass visitors will get the chance to win three sets of two tickets each to one of the sixty-seven destinations that Turkish airlines flies to in Europe. In addition at both the semi-final and final matches there was Lucky Seat draws giving two sets of two tickets each to Europe. The draw was held courtside to announce the winners who will be sitting on the Lucky Seats pulled from the barrel.

Shop&Miles Sailing Cup. The İstanbul leg of the GarantiBank “Shop&Miles Sailing Cup” took place on 22-23 May 2010 and was followed by the Bodrum and Göçek legs on 30 July-1 August and 27-29 August respectively. First-place winners at each event took part in the Les Voiles de Saint-Tropez races held in France from 26 September to 2 October of the same year. Turkish Airlines acted as the transportation sponsor for the first-place winners of all three legs.

Stena Match Cup Sweden. Stena Match Cup Sweden is one of the best sailing events in the world. In 2013 Turkish Airlines has signed up to sponsor the Stena Match Cup Sweden, the Swedish leg of the Alpari World Match Racing Tour (WMRT) sailing series. Over 115,000 spectators turned out for 2012 Stena Match Cup Sweden, which was a record for the event.

Intercontinental Istanbul Eurasia Marathon. Turkish Airlines was the official transportation sponsor for the 32nd Intercontinental Istanbul Eurasia Marathon. This is the most important international marathon event held in Turkey and attracts hundreds of thousands of runners and spectators every year.

Presidential Cycling Tour of Turkey. In 2010, Turkish Airlines was a sponsor for the 46th Presidential Cycling Tour of Turkey, one of the most prestigious annual bicycle races in the country. A hundred twenty cyclists from 30 countries took part in this event, which began on April 1st and ended on the 18th.

Turkish Airlines Challenge. Turkish Airlines was a sponsor for the European Challenge Tour golf tournament when it was held in Antalya last year. Conducted under the name “Turkish Airlines Challenge”, the tournament began on April 29th and ended on May 2nd, 2010. It was attended by 156 professional golfers from countries across the world. The event provided an occasion for Turkish Airlines to support Turkey’s tourism industry by drawing international attention to the country’s golf potential and highlighting yet another aspect of Antalya as a travel destination.

Turkish Airlines Ladies Open. Turkish Airlines sponsored the Turkish Airlines Ladies Open golf tournament when it took place in Antalya from 6 to 9 May 2010. Broadcasts of the event, which was attended by 108 professional women golfers who came to Antalya from more than 30 countries, was seen by a billion people around the world.

Sony Ericsson WTA Istanbul Cup. Turkish Airlines served as the transportation sponsor for the Sony Ericsson WTA İstanbul Cup International Women’s Tennis Tournament when it was held at the ENKA Sports Complex in İstanbul on 26 July to 1 August 2010.

Black Mountain Masters. Turkish Airlines was a sponsor for the Black Mountain Masters, a golf tournament on the Asian tour that was attended by 132 professional golfers during December 2010. One of the most prestigious events in the Asian golf calendar, the event provided an occasion for Turkish Airlines to engage in extensive promotional activities and to strengthen its connections with the Business Class target audience.

Archery World Cup. Turkish Airlines has been the long-time supporter of the Archery World Cup and other international archery events. In 2014, Turkish Airlines renewed its partnership deal with World Archery until the end of the 2015 season. Turkish Airlines became the official airline of World Archery with the launch of the Archery World Cup in 2006. It has supported the growth of the World Cup circuit and archery’s evolution into one of the core Olympic sports. According to the new agreement Turkish Airlines offer 12kg additional luggage allowance certificate for archery equipment.

Turkish Airlines Sports Team Sponsorships

FC Barcelona

In 2013, Turkish Airlines has signed a three-year sponsorship deal with FC Barcelona football club in a ceremony in Barcelona. According to the terms of this sponsorship contract, all the advertising materials and logos of Turkish Airlines will be displayed on the internal screens of the Nou Camp Stadium in Barcelona and all other locations of the team, Turkish Airlines will make commercial films with the players of the Barcelona Club and carry out the promotion of this sponsorship deal in all the arenas of advertising and mass media. As the result of this sponsorship Turkish Airlines will transport the players of Barcelona to all the tournaments and training camps as well.

Manchester United. In 2010 Turkish Airlines concluded a sponsorship agreement with the English club Manchester United, one of the world's football giants. The agreement signed at the team's Old Trafford Stadium. Under the 3 1/2-year agreement, Turkish Airlines' ads and logo appeared as Manchester United's 'official sponsor' on all the club's ads, including the advertising panels at its Old Trafford Stadium and on the internet. The Turkish Airlines had the right to shoot advertising films with the Manchester United football players and take part in some PR activities as well as publicizing and advertising its sponsorship around the world. Turkish Airlines transported the English team to camps and tournaments outside Britain.

Aston Villa F.C. In 2013 Aston Villa FC announced a partnership deal with Turkish Airlines for the 2013-14 season. According to this sponsorship agreement Turkish Airlines brand became the Official Airline Partner of the Premier League team.

Borussia Dortmund. In 2013 Turkish Airlines agreed to sponsor German soccer club Borussia Dortmund for three years. Turkish Airline became a second-tier 'premium partner' of the 2012 Bundesliga champions, who are heavy favorites to progress to the final of the UEFA Champions League. The deal run from the start of 2014 season until the end of 2015/16. The sponsorship agreement entitled Turkish Airlines to extensive branding rights and hospitality services - including a private lounge - at the team's home Signal Iduna Park. Turkish Airlines committed an annual €2 million (US\$2.61 million) to the partnership.

Hannover 96. In 2014, Turkish Airlines signed a multi-year collaboration with Bundesliga team Hannover 96. As part of the deal, Turkish Airlines will be present on the Premium TV video in the HDI Arena and receive hospitality services for the home games in the Bundesliga. In addition, Hannover 96 will fly with Turkish Airlines as an airline partner to selected matches and training camps.

Olympic Marseille. Effective for the 2013/14 season Turkish Airlines entered into a partnership with Ligue 1 giant Olympique de Marseille to become the official airline company of the French club. This sponsorship agreement allows Turkish Airlines to promote its recently established direct route from Istanbul to Marseille. Marseille has allocated branding space on the back of its shirts for Ligue 1 matches to Turkish Airlines, which will also benefit from pitch-side LED advertising and access to hospitality tickets for its customer loyalty program.

FC Sarajevo. In 2015, Bosnia and Herzegovina football club Sarajevo and Turkish Airlines signed a three and a half sponsorship agreement. Turkish Airlines became the general sponsor of FC Sarajevo. According to the agreement FC Sarajevo during the three and a half years wear Turkish Airlines uniforms. Turkish Airlines also is the transportation sponsor for the Beşiktaş Gymnastics Club Association, the Fenerbahçe Sports Club, the Trabzonspor Club, the Galatasaray Sports Club, and the Bursaspor Club as well as for the Turkish National Football Team.

Turkish National Basketball Team. Under an agreement signed at a ceremony held on 12 August 2010, Turkish Airlines became the prime sponsor of the Turkish Basketball Federation for two and a half years. The Turkish Airlines television advertisement for the Turkish national team also set a new record of sports as the highest and fastest basketball game ever played in the air in the history of the game.

Macedonian Basketball. In March, 2015 Turkish Airlines became Macedonian basketball sponsor and National Basketball Team. Recently Turkish Airlines signed a sponsorship deal with the Macedonian Basketball Federation enabling it to support the Macedonian men's national team for a further year as well as other basketball teams in different age groups. According to this new sponsorship agreement Turkish Airlines logo will be used on the teams' training kits and jersey during the contract, which will last until the end of the year. Macedonia will be competing against Netherlands, Greece, Croatia, Slovenia and Georgia in the same group in FIBA EuroBasket 2015.

Galatasaray and Trabzonspor UEFA Champions League and UEFA European League. In 2014-15 season Turkish Airlines became uniform sponsor of Galatasaray, who are representing Turkey in the Champions League, and of Trabzonspor, who are representing the country in the UEFA European League. Both teams appeared on the pitch in uniforms bearing the Turkish Airlines logo when they play in the European Cups in 2014-15 season.

Turkish Airlines Athletes Sponsorships

In addition to corporate sponsorship, Turkish Airlines engaged in sponsorship of athletes in several sports fields. Some of these athletes who endorsed Turkish Airlines are as follows:

Lionel Messi. In 2012, Messi signed new multi-million pound sponsorship deal to be the global ambassador for Turkish Airlines. International soccer superstar Leo Messi was named Global Brand Ambassador for Turkish Airlines at the Camp Nou Stadium in Barcelona, Spain. In September 2012, Messi shot a commercial for the airline with Kobe Bryant. In the airlines' latest commercial, the duo –competes to win the attention of a young boy. The latest commercial was a collaborative effort among producers, actors and crew members from Turkey, the Netherlands, Spain and the United States. Shot partly at Istanbul's Ataturk Airport and partly in other countries abroad, the commercial will air worldwide late this year.

Kobe Bryant. In 2013, Lakers G Kobe Bryant has signed a deal with Turkish Airlines, agreeing to appear in Turkish Airlines advertisements for the two years. Commercials with Bryant will be shown globally but that the focus of the campaign will be on the US market and on the Far East and the Middle East. Bryant as part of the deal participated in a number of public relations events for the Turkish Airlines and special gatherings with his fans around the world, promoting the airline. The first spot aired in more than 80 countries in the first quarter of 2011. Ads also appeared on many other outlets including billboards, magazines, dailies and digital environment. In addition, Turkish Airlines is improving and adding to its destinations in the Americas. Turkish Airlines has been flying to N.Y. and Chicago for a long time and added Washington DC, Toronto, Sao Paulo, Los Angeles and as a destination. Turkish Airlines stepped up its commitment to flights from the United States and thought Bryant was the perfect spokesman. Turkish Airlines released a commercial that features Bryant and Messi "competing for a kid's attention." The kid in the ad "walks back and forth on an airplane as Bryant and Messi each try to impress him." Messi kicks the ball in place, using "some fancy footwork," while Bryant responds by "passing the ball through his legs over and over again as they're extended in the air." The kid "eventually walks away from both men to eat some ice cream."

Caroline Wozniacki. In December 2010, Caroline Wozniacki, the number one name in tennis, became the face of Turkish Airlines Business Class for . Chosen to be the face of Turkish Airlines Business Class in 2010, Caroline Wozniacki appealed to tennis fans in particular and to sports fans in general primarily in Turkish Airlines' brand communication efforts in Europe. Danish-born of Polish parents, Wozniacki represented Turkish Airlines in advertising films and public relations activities for three years.

Didier Drogba. In 2014, Turkish Airlines has teamed up with international football stars Didier Drogba and Lionel Messi for its new 'Widen your World' global advertising campaign. The commercial explores the concept that food is the only true way to experience different cultures, and aims to highlight the worldwide destinations that Turkish Airlines offers. The TV commercial sees Drogba fly with Turkish Airlines to destinations such as Nepal, Japan and Siberia in a bid to outdo Messi, but finds signed photos of his rival at all the locations, suggesting the Argentine had already visited each restaurant first.

Source: <https://www.turkishairlines.com/en-tr/press-room/sponsorships/>

9. Conclusions

There is a plethora of research on the effectiveness of sponsorship. However, most of the existing studies focus on domestic markets. The international literature, certainly, lacks research on the impact of sponsorship on a firm's foreign market position. Even though sponsorship can be a very cost-effective method to reach a large international audience, little is known about the role of sponsorship in forming or modifying consumer attitudes toward the sponsoring brands. Therefore researchers need to fill this gap and address several questions such as Can foreign customers correctly identify corporations as official sponsors of an international event and develop positive response? or How does the level of involvement with the event impact the consumer response to sponsor message? For example the 2018-2022 FIFA World Cup can be used as a research venue. Although sponsorship enables a

corporation to communicate with their customers and deliver increased awareness, brand building and propensity to purchase, unlike other advertising media, sponsorship cannot communicate specific product attributes.

Corporate sponsorship is still experiencing a steady growth rate; however corporate sponsors have begun to utilize other marketing communication tools such as digital media, social media, and mobile applications. Sports sponsorship remains the largest sponsorship category for corporations although its dominance has declined in recent years as corporations invest advertising dollars in other non-traditional media venues such as social media and mobile applications. (Meenaghan, 2013).

In recent years, companies of all sorts have been utilizing a variety of media tools to engage in both institutional as well as product/brand promotion. To this end, there is a concerted effort to move from broadcasting (mass media promotion) to that of narrowcasting (targeted promotion). Studies show that more focused targeted promotions serve the needs of companies better. This study indicates that several companies have made use of corporate communication techniques more effectively and as a result gained a higher market share, brand loyalty and created more favorable attitudes among its target markets towards the company.

It is evident that when home grown firms are the sponsors, consumers have a higher tendency to develop more positive attitudes toward the firm or brand, and perceive that there is a good fit between the firm and sponsorship. Further, the fans of the sport are loyal to the sponsoring firm as evidenced in previous research. This is especially true for popular teams that have an excellent national standing. Specifically, the effects of stadium sponsorship on brand equity, attitudes toward the firm/brand while examining the moderator effect of fit should be examined.

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CHAPTER 2

BRAND MANAGEMENT STRATEGIES AND CHALLENGES

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Abstract

This chapter is about brand management strategies and challenges. It starts with a coverage branding history and then discusses the importance of branding. It then moves into branding strategies. Individual branding, family branding and private branding strategies are described and the advantages and disadvantages of each one are discussed. Generic brands and brands that lost their protection in the past are covered here. It is strongly recommended that brands should be promoted for them to be successful. Promoting through traditional media is still important. However, digital media has surpassed all other media during the recent years. Companies must secure larger budgets and should have a presence in the social media channels in the new environment. Among other forms of promotion advertising during special events such as the Super Bowl is discussed. Sponsorship of mega sporting events such as the World Cup and the Olympics is also important. However, the cost might be a barrier as well as ambush marketing. Product placement in movies and other forms of entertainment is also becoming very important for the promotion of brand. The chapter ends with a discussion of the future of branding. It is argued that energy shortage and sustainably issues will be extremely important in the creation of new brands. It is also argued that food-related technologies and food brands will be the focus of developments in the years to come.

Keywords: Brand, Family Branding, Individual Branding, Store Brands, Brand Promotion.

1. Introduction

The original idea of branding was used by craftsman to enable customers to easily identify them. The pottery and porcelain items produced by these artisans were sometimes sent out to be sold in distant shops. The customers would see the signs of the artists and use them as a sign of quality then they would purchase them. Sometimes the governments would require these signs. For example, an English law passed in 1266 required bakers to place their mark on every loaf of bread in order to protect the consumers. The quality and weight standards could be monitored this way. Goldsmiths and silversmiths had to follow similar rules of marking products to assure quality (Keller, 2013).

The term “branding” was derived from the Old Norse word “brandr”, which means “to burn,” because ranchers would burn their logo on their livestock as a way of identifying them. In later years, artists would put their signature or logo on their creations such as paintings or pottery as a sign of quality (Bastos & Levy, 2012). When North America started getting immigrants from Europe, they brought the practice of branding with them. The producers of medicine and tobacco were the early adopters of this practice. As the market expanded as a result of the expansion of transportation networks through railways, production centers and consuming areas were separated by large distances. Thus, companies had to brand to their products with their marks to assure distant customers of the quality of their products. For example, Procter & Gamble made candles in Cincinnati and shipped them to merchants along the Ohio and Mississippi rivers with a star label. The company soon discovered that there was a strong demand for their star-labelled candles and consumers did not accept other brands. So, branding paid off for them. Given the developments in the marketplace, the U.S. government passed its first federal trademark law (Keller, 2013). By the end of the 19th century, a large number of other countries had created legislation to protect brand names and company logos to minimize counterfeiting.

At the turn of the 20th Century, there were many manufacturer brands in the United States, and they received strong consumer acceptance. New marketing practices were created to support the new brands. Procter & Gamble, for example, came up with the idea of a brand management system. The company produced many brands, but they came up with a structural organization that required one brand manager to be responsible for all of the marketing activities for a single brand. Thus, there was healthy competition even among the different brands of the company.

It should be noted that a brand is different than a product. A product is anything that a company produces to satisfy a need or a want. It can be a physical product like milk or an

apple, a retailing establishment like a corner store, an ordinary professional athlete, a location that we might visit or a politician. There will be nothing particular about these items. We go to a corner store, for example, because it happens to be on our way. We don't make an effort to search for this store.

A brand on the other hand will have other dimensions that differentiate it from other products that fill the same needs. It is, therefore, more than a product. It has perceived characteristics that make it different than other products designed to satisfy the same need. An orange may be considered as a commodity, while Sunkist orange is a brand. The consumer believes in the quality that Sunkist provides and hence will be willing to pay a higher price for this branded product. Likewise, an ordinary football player can be seen as a commodity while Messi or Ronaldo may be considered as brands. Consumers go to football games to see them play.

A brand is defined as a “name, term, sign symbol or a combination of these that identifies the maker or seller of the product” (Kotler & Armstrong, 2015). The American Marketing Association (AMA) has a similar definition. This definition implies that, whenever a marketer creates a new name, logo, or symbol for a new product, he or she has created a brand. In today's economy, brand is more important than ever. Producers realize that if a product or service is not a brand, it is a commodity, and the low-cost producer is the winner in the marketplace. Successful branding, however, provides a much wider control for the manufacturer. They can gain consumer loyalty and insistence for the brand even at higher prices.

This chapter has three main objectives. First, there will be a broad coverage of branding strategies including family branding, individual branding, generic branding and private branding. The second objective will be to discuss how brands might be promoted. Here, traditional and digital media promotion will be covered, as well as promotion during special events, product placement and sponsorship. Finally, the future of branding will be covered. Whenever appropriate, current real-life examples will be utilized to illustrate the points raised.

2. Brand Building Process and the Consumer Perception of Brands

There was a time when only physical products were branded. Not anymore. Service providers such as airlines, for example, Turkish Airlines, Delta and others use branding strategies. Even food products that were once commodities brand their product. Examples include Dole pineapple, Chiquita bananas, Duru bulgur (cracked wheat). In addition, place branding and personal branding are commonly applied now. Promotional campaigns such as

“Come to Turkey” aim to create a brand for the country. Similarly, politicians and movie stars and even students might want to create a brand image for themselves. The strength of these individual brands can be observed through their following in social media.

Companies obviously try to create a strong brand for their products to create customer loyalty. They want the consumers to insist on a particular brand. When such loyalty is created, the market developments could sometimes force a company to retain a brand even when an elimination is considered. The classical example of this took place in 1985 when the Coca Cola Company wanted to change the taste of its main product in response to the “Pepsi Challenge” that the Pepsi Cola company had run. The basic idea of this campaign was that Pepsi tastes better than Coke. When people were offered two products without labels to compare (Pepsi and Coke), more than 50 percent of the tasters preferred the taste of Pepsi over Coke. They repeated these taste tests under different conditions and Pepsi always won. Pepsi Cola Company used these results in their advertising campaigns with a lot of success. The company started gaining new consumers and hence market share (Louis, 1985).

This forced Coca Cola to create a “better tasting” Coca Cola product. It conducted taste tests using very large samples. The results were clearly in favor of this new product. The consumers indicated that they preferred the taste of the new product over the old Coke and Pepsi. As a result, the “new Coke” was introduced with a lot of excitement. However, the sales did not grow as expected. The loyal consumers were angry that their beloved brand was taken away from them. In fact, in several locations in the United States “Old Cola Drinkers of America” clubs were formed. Indeed, there was a revolt against the company. People protested via telephone calls and mail. This was the greatest challenge that Coca Cola Company faced. The consumer revolution forced the Coca Cola Company to bring back the old product as “Coca Cola Classic” to be sold alongside the “New Coke.” The expectation was that the Coca Cola Classic would retain the old Coke drinkers while the New Coke would attract the Pepsi drinkers since it was “better tasting” than Pepsi. Again, the sales results were not satisfying for Coca Cola. Marketing two similar products caused some distribution problems and they eventually removed the “New Coke” from the market. This teaches us two lessons. First, taste is not always everything when comparing two soft drink brands. Second, emotional attachment of consumers to a brand, their relationship with the brand and the role of nostalgia must also be considered when making changes to a brand. The Coca Cola company learned this the hard way (Keller, 2013).

A number of steps are followed in building a new brand. Typically, there is a need to create a strong corporate brand. At a later stage, brands for the company’s individual offering

are branded. It all starts by determining the target audience and the mission statement of the company. For some companies, the target is very specific with a carefully designed demographic and psychographic information. For others, the target market can be the whole world. Nike, for example, targets the whole world with the following mission statement (Nike, Our mission):

“Bring Inspiration and Innovation to every athlete* in the world.”

The key points of this mission statement are: Inspiration, innovation, athlete, and the world. It is interesting to note that the footnote describes an athlete as somebody “who has a body”. This very inclusive mission statement drives the whole operation of the company. That is why Nike has come up with very innovative and successful product brands since the beginning. After creating a brand, it has to be supported with a distinct logo, brand slogan, and brand voice. Nike has done that with great success as well. The “swoosh” (the check mark-looking logo) is probably the most recognizable logo in the world. Its current slogan, “just do it” is also very well known by the consumers. Nike uses a number of very well-known athletes that they sponsor as their voice. Among these, one can list Michael Jordan, Kobe Bryant, Kevin Durant, Maria Sharapova, Roger Federer, Derek Jeter, Rafael Nadal, LeBron James, and Tiger Woods, and others. These spokespersons represent different sports and they have promoted Nike with much success. For some of these athletes, Nike has created product lines. The Air Jordan line is perhaps the most successful of these lines. A strong brand obviously gives the company an edge and increased profit margins. The competitive advantage created provides consumer loyalty and enables the company to expand with additional brands.

The logo is probably the most important component of a brand. They provide a visual identity of a company or a product (Steffens, 2018). When we see the “Google” logo for example, we think about searching. Similarly, when we see the “Golden Arches,” we immediately think about McDonald’s, French fries and Big Macs. The FedEx logo first appears to be simple and straightforward. However, when one looks at the white space between E and X, a right-facing arrow can be seen. This hidden mark was indented to prove a subliminal message of “speed and precision” (Steffens, 2018). Of course, everybody recognizes the Olympics logo of interlocking five rings. Each ring represents a continent, namely, the Americas, Asia, Africa, Europe and Oceania. The most recognizable brand logos of all time are presented below (see Table 1). The readers will probably recognize most of these logos, if not all of them.

* If you have a body, you are an athlete.

Table 1: Most recognizable brand logos of all time					
Rank	Brand	Rank	Brand	Rank	Brand
1	Nike	11	Disney	21	Starbucks
2	Coca Cola	12	UPS	22	World Wildlife Fund
3	Google	13	Gap	23	Kodak
4	Apple	14	Honda	24	Dunkin Donut
5	Microsoft	15	Hewlett Packard	25	Subway
6	Pepsi	16	BP	26	Lacoste
7	eBay	17	Colgate	27	Verizon
8	FedEx	18	NASA	28	National Geographic
9	3M	19	MTV	29	McDonald's
10	The Olympics	20	Rolex	30	Target

Source: Steffens, R. (2018). 30 most recognizable brand logos of all time. Retrieved from <https://www.bluleadz.com/blog/30-of-the-most-recognizable-brand-logos-of-all-time>

3. Branding Strategies

3.1. Individual Branding

Procter & Gamble (P&G) is one of the major companies in the United States that practice an individual branding strategy. It owns hundreds of brands such as Gillette, Pampers, Tide, Metamucil, Max Factor, Ivory, Vicks, Head & Shoulders, Old Spice, and Crest. These brands are not tied up to each other and must compete on their own. When Pampers, a baby diaper product, advertises it does not help the sales of Luvs, another P&G diaper brand. In fact, there is a healthy competition between these two brands. Each one of these brands must have an advertising budget of its own. Thus, the total advertising budget of P&G is immense. This might be seen as a disadvantage. However, this strategy has a lot of advantages too. For example, in the fabric care segment, the company owns Tide, Ariel, Bounce, Cheer, Downy, Dreft, Era, Gain and Ace. When a competing firm wants to introduce a new fabric care product, it realizes that it is not just competing with, say Tide, but with around ten other brands. This discourages competition. A second advantage is when consumers want to switch brands. For example, a Tide user may wish to switch to another detergent once in a while. There is a good chance that the brand that they switch to is another P&G brand. Thus, Tide loses a customer, but the company retains the customer. In a similar case, when a consumer switches from Coke to Fanta, both are Coca Cola products, the Coca Cola company still keeps the revenue and potential profits. Most importantly, when one brand fails, it does not affect the other brands or the company. The Tylenol poisoning case that will be discussed below is a good example of this.

This individual branding strategy enables P&G to position their brands more effectively. Cheaper and lower quality products will not tarnish the reputation of the company. This is especially useful when the company matches the cheaper product of a competitor with a similar product with a new brand name. It does not hurt the image of the company. Finally, a bad incident with one of the P&G detergents will not hurt other P&G detergents because most consumers will not know that these two brands are related. A partial list of P&G brands is provided in Table 2.

Table 2: Procter & Gamble brands	
Product Lines	Brands
Baby Care	Luvs, Pampers
Fabric Care	Tide, Ariel, Bounce, Cheer, Downy, Dreft, Era, Gain, Ace, Rindex
Family Care	Bounty, Charmin, Puffs
Feminine Care	Always, Always Discreet, Tampax
Hair Care	Head & Shoulders, Aussie, Herbal Essences, Old Spice, Pantene
Home Care	Cascade, Dawn, Febreze, Gain, Joy, Mr. Clean, Swiffer, Salvo, Ambi Pur, Comet
Grooming	Braun, Gillette, Gillette Venus, The Art of Shaving
Personal Health Care	Align, Clearblue, Metamucil, Pepto Bismol, Prilosec, Vicks, Zzz Quil
Oral Care	Crest, Fixodent, Oral B, Scope
Skin and Personal Care	Gillette, Ivory, Olay, Old Spice, Safeguard, Secret, Native, Snowberry, SK-II
Source: P&G (n.d.). P&G Brands. Retrieved from https://us.pg.com/brands/#family	

In the early 1980s, Tylenol was the most successful over-the-counter pain medicine in the United States with a 37 percent market share. It was outselling the next four painkillers (Anacin, Bayer Aspirin, Bufferin, and Excedrin) combined (Berge, 1998). During the fall of 1982, a person or persons with bad intentions, replaced Tylenol Extra-Strength capsules with cyanide-laced capsules in some random pharmacies and food stores in Chicago area. The poisoned capsules were purchased by unsuspecting people. Seven of those people died. It should be noted that product packaging at that time was not as sophisticated as today. So, it was easy to open a package without damaging the packaging. As a result, removing some pills or adding some pills was relatively easy. The consumer could not tell that the package was tampered with.

The producer's first reaction was to alert people about the problem and to tell them that they should not use any Tylenol products until the problem was resolved. They withdrew all Tylenol

capsules from the store shelves in Chicago and surrounding areas. Later they decided to remove it throughout the whole nation. They formed a team to study the situation in detail. The strategy guidance of the team was to first find out how they can “protect the people” and then the secondary objective was to find a way to “save the brand” (Broom, Center, & Cutlip, 1994).

The media coverage of the event was immense. More than 100,000 separate news stories were run in U.S newspapers in addition to hundreds of hours of national/local television coverage. Research showed that over 90 percent of Americans had heard about the Tylenol killings. The company’s response to the crisis was admirable. They did not try to cover up the incident and they did everything they could to protect lives. They improved their packaging and then re-introduced the product. Because the public trusted their honesty, they were able to reclaim their market share before this unfortunate event (Weinberg & Romeo, 1989).

Johnson & Johnson was the parent company of McNeal Consumer Products – the company that produced Tylenol. Since Johnson & Johnson was not utilizing family branding strategy, a lot of people did not see the relationship between these two companies. As a result, none of the other products of Johnson & Johnson were affected. In other words, one product with problems did not affect the sales of other brands marketed by Johnson & Johnson. This is a great advantage of individual branding strategy.

The individual branding strategy has disadvantages as well. One of them is the risk involved when creating a new brand. The company will be coming up with a new brand name that nobody has heard about. Building customer loyalty is difficult and expensive. Procter & Gamble has to have a promotion budget for each one of its brands. It adds up and P&G has the biggest advertising expenditure in the United States and the world (see Table 3). Of course, those companies that use individual branding have to worry about cannibalism where the new products take away market share from the existing brands. Coca Cola and Unilever also use individual branding although there is some family branding involved in their strategy.

Company	Country	2010 Spending (\$ Billion)	Company	Country	2017 Spending (\$ Billion)
P & G	USA	11.4	Samsung	South Korea	11.2
Unilever	UK/Netherlands	6.6	P & G	USA	10.5
L’Oréal	France	5.0	L’Oréal	France	8.6
GM	USA	3.6	Unilever	UK/Netherlands	8.5
Nestle	Switzerland	3.2	Nestle	Switzerland	7.2

Source: Adapted from “Samsung Overtakes P &G,” by B. Johnson, 2018. Retrieved from <https://adage.com/article/news/global-marketers-2018-ttkk/315743>.

As the above statistics indicate, P & G led the world in total advertising expenditures in 2010. The second largest spender, Unilever, spent only half as much. This was the case for many years. However, the market changed drastically during recent years. Samsung, that was not in top 10 before became number 1 in 2017. It should be noted that, South Korea, a relatively poor country two decades ago, established several respectable brands in a short time. This shows that, with good planning and hard work, even poor countries can come up with a global brand.

3.2. Family Branding

Another strategy is the use of family branding or umbrella branding. One example of a company that uses family branding is Campbell's soup. The company produces many different types of soup products. Different soups have similar packaging with the "Campbell's" logo/name printed on each product. The consumers identify these products as a family. Therefore, unlike the P & G case, a single ad benefits all of the company's products. This gives them advertising efficiency. On the down side, when a product has a bad incident, such as people getting poisoned because they had Campbell's tomato soup, the company's other soup products will all be negatively affected.

Virgin, Starbucks, Google and Campbell's use this kind of branding strategy. Virgin, for example, have Virgin megastores, Virgin Atlantic, Virgin Oceanic, Virgin Health Bank, Virgin Galactic, Virgin Mobile, and Virgin rail (Waters, 2019). This kind of strategy makes the introduction of new products easier. Consumers may not recognize the sub brands but their trust in the company name enables them to accept a new product from them. The products under family branding share a common logo, symbol or a brand name. There are several advantages of family branding. Consumer trust in the parent company enables them to introduce new brands rather easily without much expense. For example, Campbell's can introduce a new soup product, say Okra soup, very easily because people recognize the umbrella brand that the new product uses. Since they like the other soups that the company produces, they will give this new product a try. Since all the products under the umbrella brand are interdependent of each other, one product's success provides a boost to the other products. Another advantage is that the advertising campaigns are less costly and more efficient. The firm will have a single campaign as opposed to multiple campaigns for each one of its products. Of course, the company can have individual campaigns as well. There are efficiencies from an overall marketing point of view as well. It is fairly easy to manage all the products under one single brand name. It eliminates the difficulties of having to create new logos, slogans, and advertising jingles.

One of the most successful example of family branding has been practiced by the Apple Corporation. Under this brand name and Apple logo, customers may find the iPad, iPhone, Apple Watch, Mac Air, Mac Book, and similar products. Unilever generally practices individual branding strategy. However, through brand extensions it has created several lines of family brands as well. For example, Dove shampoo, Dove soap, Dove deodorant, Dove Conditioner, and Dove Cream are combined under an umbrella brand very successfully. Similarly, Nivea cream, Nivea lip balm, Nivea body lotion, Nivea skin firming lotion, and Nivea sunscreen lotion establish another successful family.

Family branding strategy has some disadvantages too. When the company produces products with differing quality, placing them under one family may not be ideal. This kind of branding works well when the products under the umbrella have some logical connection. In the case of Starbucks, for example, all of the coffee brands and snack products under the same family makes sense. If they were to add unrelated products such as computers, furniture and the like, these will not fit under the same umbrella. The biggest disadvantage of this strategy occurs when one of the brands under the family has a huge failure. If people were poisoned because they had Campbell's tomato soup, the sales of all other soups in the family would be negatively affected. The classical example of this is when several people died because they took Tylenol, a pain killer, in the 1980s. It would have been a financial disaster if the company involved was using a family branding strategy.

3.3. Generic Brands

Generic brands are common in the pharmaceutical industry. A well-known producer first comes up with a new drug, registers it for protection of their know-how, and they become the sole supplier until their patent expires. This protection usually lasts for about 20 years in the United States. The prices charged are very high during this period because the pharma industry claims that coming up with a single successful drug costs them more than 2 billion dollars. They want to recover their cost as soon as possible. As soon as the patents expire other companies can start producing generic versions of the original name brands. Since they were not involved in the research and development of the original brands, and since they are not required to do animal and human tests, their costs are much lower and hence their prices are also much lower compared to brand name drugs. In fact, it is argued that about 50 percent of generic drugs are manufactured by name brand companies. These generic brands are safe and high quality and preferred by the insurance companies because of their lower cost. The proportion of generic drugs dispensed in the United States versus branded drugs has increased from 50 percent in 2005 to 86 percent in 2018 (Mikulic, 2019).

We see generic brands in the food industry as well. It should be noted that generic foods are not the same as store brands. These are plain products with no brand name. The package might just say “beer,” or “paper towel,” and the like. In terms of price, they are very affordable, and consumers choose these products during bad economic times.

3.4. Private Brands (Store Brands)

Most products we purchase in the marketplace are national/international brands. A major producer is behind them and they support their products with national/international promotion. However, during recent decades, there has been an increase in private or store brands. These brands are typically controlled by retailers. They are not promoted nationally, but at the local level. Thus, their cost and hence their price is lower than national brands. For example, Bayer Aspirin is a manufacturer’s brand while a local pharmacy may have its own brand at a lower price. One should note that these private brands are also produced by a major manufacturer. Thus, the quality may not be inferior. The price difference might be due to the lack of national promotion.

Manufacturer brands, also called national brands, dominated the marketplace for a long time. However, during the last few decades, private brands or store brands have started emerging on a large scale. Supermarkets and department stores are at the forefront of this development. One can find store brands around the world. For example, Sainsbury’s is leader of store brands in England. Wegmans, Walmart, and Best Buy in the United States sell a lot of their own brands. Likewise, Migros in Turkey markets a lot of its own brands.

These store brands are popular with consumers because of their lower prices. If the store brands are cheaper, are they lower quality? Research shows that most of the store brands have the same quality as the name brands. The lower price for store brands is mainly due to the lack of national advertising. The cost savings are passed on to the consumers. Typically, a well-known manufacturer, sometimes the direct competitor of the store brand, produces the products for the store. They do this because of excess production capacity that they might have. They also know that another manufacturer will be willing to produce for the store even if they are not willing to do so. The store brand for television sets sold at Best Buy is Insignia. Best buy does not have production facilities for Insignia though. There is a good chance that these TV sets are produced by Sharp or Panasonic.

3.5. Losing Brand Name Protection

Companies support their brands with heavy advertising especially at the “introduction” stage of the product life cycle. Such promotion continues at later stages too. Most major brands will now have Web pages and social media presence. One should, however, remember that too good of a promotion may backfire in the long run. Nylon, zipper and escalator were once brand names. They lost the brand name protection later on because people perceived them as product categories.

As was mentioned earlier, a brand owner normally registers its brand name, symbols and logo with the patent office so that they are the only users of these protected identities. They do a lot of promotion to ensure that people prefer their brand. What happens when consumers show such an extremely strong preference that they start using the brand name as a general class of product? Could these firms lose their protection eventually? The answer is “yes”, and it has happened many times in the past. For example, “zipper” was a brand name at one time and now it is used to describe a class of products. If “zipper” was a brand name, how was the product described at that time? Another example is “escalator” which was a brand name at an earlier period. Now it describes a product category. “Aspirin” was a trade mark registered by Bayer at one time. The brand was very successful and only Bayer could produce aspirin at that time. After they lost the protection, any other company could produce aspirin. Nowadays, almost every pharmacy has its own version of aspirin. A list of products that were once protected brand names are listed below (see Table 4).

Table 4: Brand names that have turned generic or about to turn generic				
Zipper	Band Aid	Thermos	Frisbee	Tupperware
Windbreaker	Dumpster	Jacuzzi	Google	PowerPoint
Jet Ski	Velcro	Trampoline	Kleenex	Jeep
Escalator	Scotch Tape	Laundromat	Vicks	Post It
Tabloid	Yo-Yo	Q-tips	Jell-O	Playbill
Hula Hoop	Popsicle	Ziploc	Speedo	Realtor
Crock Pot	Roller Blade	Chap Stick	Walkman	Granola
Ping Pong	Super Glue	Vaseline	Polo	Wite-Out

Source: Extracted from “50 everyday words that actually started as brands and trademarks,” by R. Sukhraj, 2018. Retrieved from <https://www.impactbnd.com/blog/50-everyday-words-that-started-as-brands-and-trademarks>

A quick review of the above table indicates that these are all well-known brands. Some of those brands have lost their patent protection already and others are worried that they might

lose it in the near future. As was mentioned earlier “zipper” has become a generic term and it is in the dictionary. So, any company that wants to can produce zippers. Kleenex, on the other hand, is worried about losing patent protection because consumers could write down “buy Kleenex” on their shopping list and buy another brand when they are in the store. This is because, in their mind, Kleenex represents paper tissue. If a lot more consumers feel that way, Kleenex might become a generic term and they lose their protection. To protect their brand, Kleenex uses “Kleenex brand” instead of just “Kleenex” on its packaging and in marketing to emphasize the fact that it is their registered brand.

“Google” is a special case. A registered brand name must be a noun. However, we use it as a verb too. People will tell each other to “google it.” The company does not care about this misuse of language and does not worry that they will lose customers because of it. They know that when people are “googling it” they will not use Alta Vista or Yahoo or other search engines.

Xerox Corporation, on the other hand, tries very hard to protect its brand name from misuses. When people say, for example, they will “xerox” a page, they remind them that “xerox” is not a verb. They have already spent millions of dollars to educate influencers such as lawyers and law makers for the correct usage of their brand name.

In spite of the above-mentioned danger, companies do their best to promote their corporate brands. They want to be well known all around the world. The brand name itself rather than the physical ownership (factories, storage facilities, etc.) might become very important. This is known as brand equity. Amazon at this time has the highest value followed by Apple. There should be a lot more high-tech companies on the list now than in the old days (see Table 5).

Rank	Brand	Brand Value (\$ million)	Rank	Brand	Brand Value \$Million
1	Amazon	315,505	11	Verizon	94,598
2	Apple	309,527	12	MasterCard	91,929
3	Google	309,000	13	IBM	86,005
4	Microsoft	251,244	14	Coca Cola	80,825
5	Visa	177,918	15	Marlboro	71,958
6	Facebook	158,968	16	SAP	57,528
7	Alibaba	131,246	17	Disney	57,007
8	Tencent	130,862	18	UPS	54,899
9	McDonald’s	130,368	19	Home Depot	53,507
10	AT&T	108,375	20	Xfinity	48,889

Source: Adapted from “Top 100 global brands,” by D. Winter, 2019. Retrieved from <https://www.ft.com/content/3a3419f4-78b1-11e9-be7d-6d846537acab>

4. Promotion of Brands

Creating a good brand is not sufficient unless it is promoted to create awareness and then brand insistence. In the following sections, different methods of brand promotion are discussed.

4.1. Traditional and Digital Media

Traditional media for advertising has been around for a very long time. It includes newspapers, magazines, radio, broadcast television, cable television, outdoor advertising plus some other smaller venues. Each one of these have advantages and disadvantages. Network television advertising is expensive, especially during prime time and during special events, but might be worthwhile because of the number of people it reaches. Magazine advertising allows the advertisers to use high quality print and color pictures and might be a choice for market segmentation purposes. Newspapers, on the other hand, allow one to place an ad with short-term notice. It is ideal for localized campaigns.

It is estimated that total U.S. advertising in 2019 will amount to \$240 billion while global advertising expenditures will be 560 billion U.S. dollars. Thus, the U.S. dominates world advertising followed by Asia-Pacific and Western Europe (Statista, 2020). Traditionally, television advertising had the largest share of money spent. Digital advertising has been catching up over recent years. For the first time in 2018, marketers spent more of their money on digital media compared to others (see Table 6).

	2018 (Actual)	2019 (Forecast)	2020 (Forecast)
Television	35.4	34.1	33.2
Newspapers	8.0	7.1	6.3
Magazines	5.0	4.5	4.1
Radio	6.2	6.0	5.8
Cinema	0.6	0.6	0.6
Outdoor	6.3	6.3	6.2
Digital	38.5	41.4	43.8

Source: Adapted from "Global Ad Spend Forecasts," by Dentsu Aegis Network, 2019. Retrieved from https://assets-eu-01.kc-usercontent.com/6d786bf2-d07c-0171-96cf-6e7595ee7cc6/678c6758-c5a7-498e-b718-ea3d3cbeafbb/Adspend_2019_Summary%20FINAL.pdf

Digital media is predicted to have the largest share of advertising spending in 26 out of 59 major markets. Within media, mobile and social networks have shown a rapidly increasing trend during recent years. In China, mobile is forecast to account for more than three-quarters

of the 2019 digital ad spend for the first time. Social Media is forecast to grow by 18.4 percent in 2019, despite lingering concerns around brand safety and personal data use. The number of social network users continues to rise globally. It is estimated that there will be 2.77 billion social network users in 2019. Given these trends, advertisers will continue to use social media as an important vehicle to stay in touch with consumers and promote their brands. Major global media ad sellers are Google and Facebook as expected (see Table 7) and a very large number of brands are promoted on these two media.

Google	103.73
Facebook	67.37
Alibaba	29.20
Amazon	14.03
Baidu	12.60
Tencent	11.41
Microsoft	6.44
Verizon	4.84
Twitter	2.97
Sina	2.38

Source: Adapted from “Global Digital Ad Spending 2019,” by eMarketer, 2019. Retrieved from <https://www.emarketer.com/content/global-digital-ad-spending-2019>

4.2. Promotion during Special Events

The Super Bowl is the biggest sporting event in the United States. It is the annual championship game of American football. It attracts a large number of viewers on television. In 2018, more than 111 million Americans tuned in to watch the game (Nittle, 2019). A big chunk of this audience are football fans. A considerable number of people will also watch the game because they want to watch the commercials that companies introduce during the game. The kind of new TV commercials that will be shown for the first time and the companies involved create a lot of curiosity and interest. In fact, some brands owe their brand acceptance to their advertising during the Super Bowl. Perhaps the best example of this is the “Go Daddy” corporate brand.

In the 2019 Super Bowl, the cost of a single 30-second ad was priced in the range of \$5.1 to \$5.3 million dollars (Kantar Media, 2019). The cost of regular National Football League (NFL) for a 30-second commercial is typically in the \$500 to \$600 thousand range according to Kantar Media. The reason for the high price is the size of the audience and the reach. Nielsen Company reported that, Super Bowl LII drew 103.4 million TV viewers and 170.7

million social media interactions (Nielsen, 2018). These are huge numbers for the United States and of course there is the international market component. The second largest audience size for 2018 was the Super Bowl post-game show with 74 million viewers. To provide a perspective for these statistics, we can note that Prince Harry and Megan Markle's royal wedding attracted 29.2 million viewers, and the opening ceremony of the 2018 Olympics was viewed by 28.3 million people (Kalfas, 2019).

Given the high cost, advertising during the Super Bowl is mostly for large companies. Some companies can afford a single ad while others place multiple ads. The parent company of Budweiser Beer (Anheuser-Busch) has purchased a record of 6 minutes and 25 seconds advertising time during the 2019 Super Bowl. It was estimated that this purchase cost the company about \$34 million dollars (Huddleston, 2019). An advertising spending of \$34 million dollars in about 3 hours! Does the company get its money's worth? Since they had similar expenditures during earlier Super Bowls, they must know what they are doing.

Among the newcomers to the Super Bowl scene was Turkish Airlines during recent years. It has teamed up with celebrities such as Ben Affleck, Morgan Freeman and Dr. Mehmet Oz in these ads. As was mentioned before, some ads during the Super Bowl may not pay off and advertising companies may not get their money's worth. Time will show whether these add for Turkish airlines were worthwhile. The links for these ads are provided below:

THY, 2019 Teaser: <https://www.ispot.tv/ad/IS1B/turkish-airlines-super-bowl-2019-teaser-the-journey-ii>

THY, Ben Affleck: <https://www.ispot.tv/ad/AO8H/turkish-airlines-fly-to-gotham-city-featuring-ben-affleck>

THY, Morgan Freeman: <https://www.ispot.tv/ad/A30W/turkish-airlines-super-bowl-2017-wonder-featuring-morgan-freeman>

THY, Dr. Oz: <https://www.ispot.tv/ad/waIF/turkish-airlines-super-bowl-2018-teaser-five-senses-featuring-dr-oz>

4.3. Product Placement

Product placement, also known as embedded advertising, is a form of promotion in which branded goods and services are featured in a video production such as films, television programs, video games and music videos that targets a large audience. In exchange for product placement rights, companies may pay a production company cash, goods, or

services. It has been projected that 11.44 billion U.S. dollars will be spent on product placement in the United States in 2019 alone, up from 4.75 billion in 2012 (Statista, 2015).

Marketers increasingly perceive these product placements as more attractive than other media options (Sabour, Pillai, Gistri, & Balasubramanian, 2016). By means of placements, marketers aim to positively influence consumers' brand awareness, preferences and purchase intentions. Product placements are not explicit advertisements. However, the company's products shown in the film is expected to generate positive feelings towards the advertised brand. The good feelings created this way are supposed to result in larger sales for the donor company.

When a brand appears in a movie it is not accidental. When the actors drink Coca Cola in a movie as opposed to Pepsi Cola, we can assume that the Coca Cola Company paid for this privilege in some manner. In the James Bond films, there is a great deal of product placement. Usually he drives an Aston Martin. In the remake of movie *Casino Royal* in 2006, he drove a Ford Mondeo. It was speculated at the time that Ford Motor Company paid \$14 million to have James Bond drive a luxury Ford model for three minutes. Similarly, Bond switched from Martini to Heineken beer in the 2012 film "Skyfall." It was reported that the Dutch brewer paid \$45 million for this deal (Sauer, 2012). "Skyfall" brought in approximately \$7.6 million of combined product placement branding exposure value in the film. The reader can see some of the other product placements from the clip linked:

Skyfall product Placement: <https://www.youtube.com/watch?v=wpA0NZF-acg>

Early research in product placement was mostly conducted in the United States. Little attention was paid to the global nature of placements. As the movie industry became more global and as television programs and other forms of entertainment spread around the world, product placements were studied with a cross-cultural interest. Understanding how consumers from other national and cultural backgrounds view placements has become increasingly important since entertainment products, such as movies and television shows, are now commonly available to global, multinational audiences. American films are exported to a very large number of countries with products placed in them. In addition, the growth of on-demand services such as Netflix and Amazon Prime have exposed international audiences to American content and hence to the same placements.

A recent study has surveyed consumers in Finland, Italy and the United States to find out how they perceive product placement (Sabour et al., 2016). The results clearly showed that there were cross-cultural differences. US respondents displayed a more positive attitude

toward advertising-in-general, and they were also more inclined to think that advertising is credible. American consumers had negative opinions for the regulation of product placements in TV programs and movies. On the other hand, respondents from Finland viewed product placements more positively compared to their counterparts in Italy and the United States.

It is argued that young adult audiences around the world converge in terms of lifestyle. As a result, they will respond to product placements in a similar fashion whether they are Hollywood or Bollywood movies (Srivastava, 2016). Gupta and Lord (1998) reported that product placement in films yielded higher consumer recall when compared to television commercials. Thus, it is suggested that companies with limited funds should consider product placement in movies first. Other researchers agree with this recommendation. Nagar (2016) focusses on the Indian context. Given the exposure of Indian audiences to both domestic and international events, it is important to know how the Indian consumers react to each type. The findings indicate that brands placed in a national entertainment event receive more positive evaluations than those placed on international events. The fit is important. A brand may have more to lose in case of a misfit with the international entertainment. In other words, multinational brands have a better chance of acceptance if placed in Bollywood movies.

As children's purchasing power increased during recent decades, they have become the target for advertisers. Getting their attention is not as easy now as compared to the past. They watch less television so companies try to reach them through product placement in digital games, online programs and music videos. How they react to these placements has been the subject of a recent study (Hudders & Cauberghe, 2018). The results of a cross-sectional study with children under 12 and their parents show that older children (10 to 11 years) are better able to detect the commercial intent and the source of brand placement compared to younger children (7 to 8 years). Another study indicated that there must be a relationship between the viewers and media characters for the placements to be effective (Knoll, Schramm, Schallhorn, & Wynistorf, 2015).

4.4. Sponsorship and Ambush Marketing

Sponsorship allows companies to achieve multiple goals including enhancing the brand image, boosting sales, increasing public relations, and separating themselves from the competition. The best way to accomplish these goals on the largest possible scale is through sponsorship of major sporting events such as the Olympics and the World Cup. The magnitude of these events creates huge marketing opportunities for firms because of the growing media coverage.

The scope of Olympics television coverage has increased dramatically during the last two or three decades while the quantity and quality of broadcasting has also improved. The number of tickets sold for the London 2012 was 8.8 million as opposed to 7 million for the Beijing 2008 Olympics. The International Olympics Committee reported that the London 2012 Games were set to reach a potential global audience of 4.8 billion. The number is up from 4.5 billion for the Beijing 2008 Games (Olympic, 2012).

The sponsors expect major gains and that is why they are willing to spend large sums of money in order to associate themselves with the Olympics. Global brands and corporate sponsors alike, view this event as a perfect opportunity to reach a large number of people with their message, while simultaneously associating themselves with a historically well-respected organization (MacIntosh et al., 2012). Reserving an exclusive partnership with the Olympics is expensive, but they project that the benefits outweigh the costs. Not only will it promote the ultimate positive brand image and customer relationships but also in turn will somewhat neutralize the competing brands in their product categories.

The 11 TOP sponsors of the 2012 London Games (Coca Cola, Acer, Atos, GE, Dow, McDonald's, Omega, Panasonic, P&G, Samsung, and Visa) each paid about \$100 million for sponsorship of the games. The Olympic Partners (Adidas, BMW, BP, British Airways, BT, and EDF) each paid \$63 million for their sponsorship. The Olympic Supporters (Adecco, Arcelor Mittal, Cadbury, Cisco, Deloitte, Thomas Cook, and UPS) each paid \$31 million for their sponsorship. Finally, the 28 Olympic Providers and Suppliers (that included Heineken UK, Holiday Inn, Nielsen, Ticketmaster, and others) paid \$15 million for the right to supply the event with their companies' products (Rogers, 2012). Thus, the total contribution made by all sponsors was \$2.178 billion. The Olympic organizers claim that they need these funds to be able to run the games. Others argue that the Games have been too commercialized, and the sponsorship deals hurt the local businesses. The Chinese e-commerce company Alibaba and the global chip manufacturer Intel have joined the other TOP sponsors in 2018 (Becker, 2018).

The TOP program operates on a four-year term (the Olympic Quadrennium) and has been very successful in meeting its objective of revenue generation (IOC, 2014). The Olympic revenues for the last four quadrennium (4-year periods that include a winter and a summer Olympics are provided below (see Table 8). As the statistical data in Table 8 indicates, there have been steady increases in all categories of revenues from the 1997-2000 period to 2009-2012. After the London Olympics in 2012, there was a slight drop for the Rio Olympics. The money contributed to be a sponsor is put to good use and it is understood that the Olympics

would not happen without the support of these sponsors. They not only provide financial support but also resources and products, as well as technology and operations.

Table 8: Olympic marketing revenue (Million \$)

Source	1997-2000	2001-2004	2005-2008	2009-2012	2013- 2016
Broadcast	1,845	2,232	2,570	3,850	4,157
TOP Program	579	663	866	950	1,003
OGOC Domestic	655	796	1,555	1,838	2,037
Ticketing	625	411	274	1,238	527
Licensing	66	87	185	170	74
Total	3,770	4,189	5,450	8,046	7,798

Source: Derived from “Olympic Marketing Fact File,” by IOC, 2019. Retrieved from https://library.olympic.org/Default/doc/SYRACUSE/66728/olympic-marketing-fact-file-international-olympic-committee-marketing-department?_lg=en-GB

Many studies have demonstrated the positive impact of sponsorship on brand awareness (Cornwell, 2008; Harvey, 2001). Sponsorships also affect the brand image (Lardinoit & Quester, 2001), as well as brand loyalty (Sirgy, Lee, Johar, & Tidwell, 2008). As a result of these expected benefits, competition is fierce for sponsorship rights for high-profile events like the Olympics. However, other research show that, because of ambush marketing, consumers can not always distinguish between real sponsors and ambush markers and sponsorship fees may be wasted. There might be some truth to this. In one study after the Sochi Winter games, a survey was conducted to find out whether consumers could recognize the sponsor of the event. While some brands, notably McDonalds, were almost unanimously identified as a sponsor, more than half of the international sponsors were correctly identified by less than half of the respondents. Non-sponsor brands including Nike and MasterCard were incorrectly identified by a significant percentage of the respondents as international sponsors. While companies undoubtedly benefit from their partnership with the Olympics, these findings suggest that customer goodwill and purchase intentions are not one of these benefits (Unsal, Shields, Komaromi, & Erickson, 2015).

High fees and limited access have encouraged some firms to use an alternative communication strategy labeled as ambush marketing, guerrilla marketing or parasite marketing. Perhaps the first attempt to define this concept was made by Sandler and Shani (1989) as a “planned effort by an organization to associate itself indirectly with an event in order to gain at least some of the recognition and benefits that are associated with being an official sponsor.”

Also, due to category exclusivity laws, only one company in a given product category can be an Olympic sponsor, leaving the others to engage in ambush marketing to create association

with the Olympics (Tripodi & Hiron, 2009). There is a growing literature that argues that event organizers are partially to blame for the growing use of ambush marketing. There is a growing concern that the Olympics are over-commercialized. Also, a variety of sponsor designations (such as TOP, OGOC Domestic, and Licensing) creates confusion among the consumers. Finally, a growing number of non-sponsoring companies are finding creative ways to associate themselves with these major events. As a result of all of these, consumers don't seem to recognize who the real sponsors are. This is why ambush marketing is successful (Kelly, Bettina Cornwell, Coote, & McAlister, 2012). Two examples of ambush marketing are provided below.

A week after the Olympics in Beijing in 2008, Nike organized a global counter event called "The Human Race" in 25 cities around the world including Los Angeles, New York, London, Madrid, Paris, Istanbul, Melbourne, Shanghai, São Paulo and Vancouver. Each race ended with a concert sponsored by Nike. If people could not get to these cities, they could still compete in remote areas by using Nike+ sport bands that they usually use to monitor their steps and then download their run results to the Nike database. Thus, a total of about 1 million people participated in this event (Nike, 2008). It should be noted that Adidas was the official sponsor of the Beijing Olympics. However, through marketing efforts such as the "Human Race," Nike created a confusion among the consumers. It was reported at the time that a lot more people believed that Nike was the official sponsor. Nike reaped the benefits without actually paying the high sponsorship fees. What they did was completely legal although some people questioned the ethics of it.

Another example of ambush marketing took place during the 1992 Barcelona Olympics. Visa was the official sponsor. A few weeks before the games started, American Express started a print and television advertising campaign telling Americans to bring their passports and American Express cards to Barcelona. The punch line for the ads was: "and remember, to visit Spain, you don't need a visa." This was a direct attack on Visa card, but it was legal. The International Olympics Committee fixed this problem during the London Olympics in 2012. Non-sponsoring companies were not allowed to use the terms "London," "2012," "Olympics," "gold," "silver," "bronze," and several other terms in their advertising campaigns.

5. Future of Branding

Branding will be a lot more important in the future. Companies that can't create a strong brand for their products and services will have a hard time surviving. Some of the existing brands will improve themselves and go through brand extensions. New brands of the future will have to follow societal trends and will make every effort to meet the emerging needs.

Perhaps the most important needs of the people are energy-efficient products and healthier products. In addition, we are going to see a switch from the traditional marketing systems to online marketing. A lot of digital brands will be introduced during the coming years.

As we all know, we are running out of fossil fuel. So, it has to be replaced with wind or solar fuel. There is a great deal of research on this topic to make new products running on these new fuels and make the existing products more fuel-efficient. There are a large number of ecologically friendly appliances and other products on the market now. The consumers might choose these brands when purchasing a new television set, refrigerator or an air conditioner. They might be a little more expensive, but the consumers might be better satisfied because they feel that they are helping the environment.

The developments in the automobile industry is a good example of efforts to reduce dependency on fossil fuels. Tesla is pioneer in this area. The company introduced its first luxury electric car in 2008 and received huge support from wealthy consumers. The company is now developing Tesla Model-3 to target the mass market with a lower price (Ahmad & Khan, 2019). There are a number of other companies that are planning fully electric cars at the present time. The problem is the driving distance between charges and the recharging issues. The transportation system is not equipped to charge these cars yet unlike an abundance of gas stations on the highways.

One study investigates this issue. It is suggested that we should establish small charging stations on the road side rather than a large charging station. These stations can be equipped with photovoltaic solar panels to produce solar electricity. This way, we can take advantage of the renewable energy benefits. Extra electricity created this way can then be transferred to the electric grid (Mehrjerdi & Rakhshani, 2019).

Then there are the hybrid cars that use fossil fuel as needed and charge themselves when possible. The gasoline-powered motor is used as a generator on the road to charge the battery. These cars can also be plugged into an electric outlet to charge the battery. As expected, the gas consumption for these cars is a lot less. One of the main problems of these cars was the price to purchase them. However, research shows that, as production has increased, their cost has been declining. For example, their price declined at the rate of 14-26 percent per year during the 2010-2016 period making them more affordable (Weiss, Zerfass, & Helmers, 2019). As hybrid cars became more popular, the following companies have started producing hybrid versions of their specific brands: Honda Accord, Honda Civic, Toyota Prius, Toyota Camry, Nissan Altima, Lexus, Mercedes S400, Hyundai Sonata, Ford Fusion, Infiniti M35,

Lincoln MKZ, BMW Active Hybrid 7, Kia Optima, Buick Lacrosse, and Volkswagen Jetta. There are also some hybrid SUVs, vans, and trucks.

Self-driving cars, also known as autonomous vehicles, are in the experimental stage at the moment. Many major automotive manufacturers, including General Motors, Ford, Mercedes Benz, Volkswagen, Audi, Nissan, Toyota, BMW, Volkswagen, Toyota, and Volvo are in the process of testing their autonomous car systems. When these cars are fully operational, imagine calling your car up to pick you up from a particular location, and after getting picked up by the car, you go to work or home. You could read, do some work, or watch television as you go to your destination. If there is heavy traffic congestion on the way, no problem. Trust the computers and sensors on your car, close your eyes and take a nap! This could happen in the very near future. Nissan, for example has announced that it can deliver a commercially viable self-driving car by 2020 (Dunn, Weston, & Marcus, 2014). Realistically, however, these cars will not be seen on the roads before 2035 or so.

A second area of growth in new products will be in the food industry. Organic products have a strong following now and they will be a lot more important in the future. Perceived food quality of restaurants that serve organic food have improved the profit margins in North Germany. The “localness” of food served in these restaurants have been an added bonus because consumers feel that such food is also good for the environment since products served do not go through long-distance transportation. This reduces fuel consumption and hence helps the environment (Joseph, Peters, & Friedrich, 2019). Another study conducted in Denmark came to similar conclusions. About one third of respondents indicated they prefer locally raised cattle and they would be willing to pay more for products derived from such meat (Denver, Jensen, Olsen, & Christensen, 2019).

The impact on the environment and sustainable production are also in the minds of the consumers. A study conducted in South Africa determined that the most important factors that are important in food purchase are price, quality, convenience, humane treatment of animals and organic component. For clothing purchases, in other to other criteria, organic component of the fabric was important (Nillsen, Bick, & Abratt, 2019). Another study has looked at increasing environmentally responsible company behavior. The conclusion is that the European companies are ahead of North American and Asia-Pacific companies with respect to environmental concerns. However, the gap has been reduced during the recent years (Auer, 2018). It should be noted that a lot of organic products are not branded yet. However, retailing brands such Whole Foods and Trader Joe’s take advantage of this “organic” move and strengthen their reputation and profitability by carrying organic products.

The third area of growth will be in the creation of digital brands. Currently, digital marketing is taking market share away from the traditional brick-and-mortar stores. A lot of well-known traditional stores could not compete with online brands. Many have closed or are in the process of closing. Of course, these developments had a major impact on the shopping malls. As retailers leave, they suffer as well. A large number of people now shop only online. Even the food industry is affected with these changes. Amazon is the biggest retailer on earth now. They sell all kinds of products. Amazon has purchased Whole Foods Company, one of the dominant healthy food companies in the United States, in 2007 for 13.7 billion to become a major player in the grocery industry. The Whole Foods Company that has been losing market share during the recent years has become a success under Amazon ownership (Conaway, Regester, Martin, Nixon, & Senior, 2018).

If you travel back to the mid-1970s, our fathers/mothers and grandparents believed that they had all the products and services that they needed. They were satisfied with their lives. They could not imagine that more revolutionary products would be coming to their lives. Of course, they were wrong. Now you might think life without a computer, a smart phone, Internet, browsing, making audio/video calls, listening to music online, watching a movie online, online chats, Facebook, Twitter etc. is meaningless. Our elders could not imagine that these new products would be introduced in a very short time. Perhaps we are now in the same position that they were in then. Perhaps, we will be exposed to many new products and brands in a few decades to come. Only time will tell.

6. Conclusions

A brand is born when a company creates a name, symbol or design to let the world know that it is their offering. This helps to identify a product, and in the eyes of the consumers, as a unique offering. A successful brand helps the product to gain credibility and branding leads to customer loyalty. For a company with a strong corporate brand and a few respected product brands, introducing new products will be a lot easier. Of course, it is a huge challenge for companies to come up with and maintain brands that serve the needs of the consumers. They should always be in touch with their customers, find out what they want and modify their brands to satisfy their customers.

Intel has created one of the most effective ingredient brands in the world. The slogan “Intel inside” has sold millions of personal computers. The consumers got to know how fast Pentium chips were and in many cases the chip was perceived as being more important than the computer itself. Ingredient branding will become a lot more important in the future. The

producers of packaged food products will probably promote the kind of organic component brands that they are using in their preparation. Similar developments will be expected in the production of high technology products. For example, Ford brand driverless cars will use certain brands of sensors that the public trusts and promote their cars together with the ingredient brands that use in their production.

Most of the global brands were created by the Americans, Europeans, and the Japanese in the past. This is going to change in the years to come. South Korea has already initiated this process. Samsung Electronics, Hyundai Motors, LG Electronics, and Kia Motors have introduced a large number of global brands to the world. Huawei, Lenovo and Alibaba are the top global brand builders from China. One should note that these brands from South Korea and China would not have received as much trust from consumers twenty years ago. Now they have overcome those barriers. Other countries can achieve similar success by devoting more resources to scientific research and product development.

As was mentioned earlier, promotion of brands is essential for their success. A number of promotional methods were discussed in the text. The rise of digital media has changed the way companies manage and promote their traditional brands now. Just advertising on traditional media will not be sufficient anymore. What happens to a brand is very transparent now because the consumers can follow it in real time. This advantage for the consumer can be a challenge for the marketers. The marketers will have to be more involved in social media. They should have their own interactive Web sites, listen to their consumers, solve their problems, educate them with their blogs, and establish relationships with their current potential customers. A clever use of technology will help the brands to grow in the years to come.

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CHAPTER 3

CUSTOMER MANAGEMENT: FROM PAST TO THE FUTURE

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Abstract

In the last decades, customer management has had a significant impact on marketing discipline. This chapter is a substantial review of the past, present and future of customer management. In order to examine customer management, firstly, transactional marketing is outlined. Afterwards, the literature of relationship marketing including its development and comparisons with transactional marketing is analyzed. Further on, a historic overview of customer relationship management and the relations between customer relationship management and relationship marketing are provided. Components and applications of customer relationship management in different sectors are also explored. In the changing competitive environments, new technologies and their affects take place in customer relationship management. Customer relationship management is changing its format into electronic customer relationship management, mobile customer relationship management and - most recently - social customer relationship management. These new formats of customer relationship management and big data as a source of information are discussed in this study. Finally, the new concept in customer management known as customer engagement and its relationship with big data and customer relationship management are examined. This chapter is concluded with the future of customer management and suggestions. To sum up, this chapter provides a journey from the origin to the development of customer management including transactional marketing, relationship marketing, and customer relationship management and adding the new concept called customer engagement.

Keywords: Customer Management, Customer Engagement, Customer Relationship Management, Relationship Marketing, Transactional Marketing.

1. Introduction

Managing customers has been studied over the years in different stages of marketing focus. In the 1980s, the study of marketing depended on customer transactions. The success of transactions depended on profitability of organizations which were based on the amount and frequency of buying behavior of customers. Attracting new customers is expensive for organizations thus it needs huge investment to gain new customers. If they cannot keep customers, the acquisition cost gets higher.

Relationship marketing originated from several areas such as industrial marketing and services marketing. The rise of relationship marketing is considered by most of scholars thus it can be accepted as a cornerstone of marketing philosophies. The main purpose of relationship marketing philosophy is to develop positive relationships with customers by maintaining satisfaction and loyalty.

In the 1990s, relationship marketing was reborn in the matter of customer relationship management (CRM). CRM can be defined as a tool that organizations use to expand their relationships with their customers. Over time, this concept has become the most important tool in all industries. CRM which is based on relationship marketing philosophy evolved as a higher level of loyalty in order to gain sustainable advantage in a technological environment. There has been a rise of the new concept called customer engagement among both academicians and practitioners. Thus, the main purpose of organizations is to engage their customers either digitally or non-digitally.

This chapter deals with the content of customer management and its development over the years. Thus, reflections on transactional marketing, relationship marketing, CRM and customer engagement are given. This chapter can be grouped into seven parts. After the introduction, the first three parts provide a comprehensive review of the marketing philosophies starting transactional marketing, relationship marketing and CRM by giving the conceptual definitions, roots and building blocks of CRM. The fifth part addresses new technologies in CRM including electronic CRM, mobile CRM, and social CRM. The sixth part defines customer engagement as a new concept in customer management whereas the final part of the chapter is the conclusion.

In order to examine the history of marketing perspectives in customer management, firstly transactional marketing is explained.

2. Transactional Marketing

In the last decades, the changes and developments in the marketing field made marketers search for new theoretical approaches regarding marketing problems. The most important evolutions in marketing can be accepted as transactional marketing in the 1980s and relationship marketing in the 1990s. Generally, marketing can be defined as a transaction which consists of the trading of values between two parties. This transaction includes not only money, but also the exchange of goods, services, benefits and values. Transaction is also defined as a trade between two parties including at least two valuable things, agreed upon time, place and conditions (Kotler & Armstrong, 2017). Transactions have become an important purpose of the organization's marketing exchanges whereas the main objective of the organization is to attract customers. In order to reach the customers, the sales forces in the organizations play a pivotal role naturally (Lindgreen, Palmer, & Vanhamme, 2004).

During the industrial age, the transaction synchronized with the growth of intermediaries and the importance of distribution (Bartels, 1976). In the late nineteenth century, the most important economists and the preeminent marketing thinkers had practical interests on this issue. These economists and marketing thinkers have focused on the transfer performance and transfer of the products from seller to the buyer and qualification of marketing channels (Shaw, 1912; Weld, 1916, 1917). There was a major focus by wholesalers and retailers as marketing institutions on jobs performed. The institutional marketing founders explained the necessity for traders. On the other hand, consumers and producers believed that intermediaries had higher profits than their actual benefits and intermediaries were seen as creating inefficiency (Sheth & Parvatiyar, 1995b).

The transaction between two economic actors in the competitive marketplace by taking the price into consideration is simply a duty of marketing in this philosophy. Thus, economic market is organized through a series of separate activities and transactions. In transactional approaches, the economic profit-maximization model exists where all transactions are planned by the price mechanism and in which the organizations are willing to buy at the lowest price (Webster, 1992).

The benefits exchange known as the transaction happened between two sides (the seller and the buyer) without any interaction. The parties obtain the necessary information to complete the exchange through the price established in a competitive environment. In the transaction, there is no such thing as a brand, there is no consumer recognition by the seller, no loyalty, no preferences among the products. Most of these transactions are conducted by continuous

relationships between customers and marketers. However, there has been discussion of the theory and practice focusing on the transaction. Certainly, the focus on sales is well placed on individual transactions with the profit-maximization paradigm (Webster, 1992).

Transactional marketing involves the basic activities which attract the potential customers of the organization and make them satisfy through the marketing mix which contains four elements - product, price, place and promotion. This approach is based on separate economic transactions through a formal and impersonal process where the seller manages the transaction effectively (Coviello & Brodie, 2001).

Most types of organizations in business to consumer (B2C) markets use transactional marketing. That means, those organizations are more likely provide their offerings to attract new customers; emphasize the product offering; invest in the marketing mix (product, price, place and promotion); emphasize the direct communication from the organization to the mass market; attract the customers within an impersonal relationship; and share relational exchanges without any personal contact between the organization and the customer (Coviello & Brodie, 2001).

Transactional marketing focuses on the process of exchange between customers in the market and the organization that provides the products and services. Transactional marketing contains the four operational functions known as the marketing mix including product, price, place and promotion which was first proposed in its modern form by McCarthy (1960). Thus, managers focus on marketing product and service to customers (Coviello, Brodie, & Munro, 1997).

Transactional marketing also depends on the type of industry and the customers' preferences. When customers want to reduce their costs they switch to cheaper suppliers. In this case, the organization needs to retain these types of customers by reducing the price with as few services that the customer is willing to accept. In this case, the organization must manage these types of customers based on the transactions. In order to be profitable for the customers, the organization cuts its own costs more than price cuts.

In the next part, relationship marketing as a crucial marketing perspective in customer management including its development and comparisons with transactional marketing is defined.

3. Relationship Marketing as a Perspective

In the literature, many titles such as the prospective of marketing, the new image, salvation from the sins of the marketing mix are used for mentioning relationship marketing (Hart,

Andrew, Sparks, & Tzokas, 1999). Many different explanations have been offered for relationship marketing. Berry (1983) who is guided to present the relationship marketing concept firstly (Aijo, 1996), defines relationship marketing as appealing, preserving, and in some organizations increasing relationships with customer. Berry (1991) mentions that relationship marketing refers to appealing, developing, and retaining customer relationships. Gummesson (1994) explains that relationship marketing is evaluated as relationships, networks, and interaction. According to Morgan and Hunt (1994), relationship marketing means all marketing actions guided close to building, developing, and maintaining successful relational interactions (Hunt, 1997).

As a long-term gain, servicing and selling to current customers are evaluated to be as important as acquiring new customers. It can be achieved by a mutual interchange and completion of expectations (Lindgreen, 2001). There are so many different views about the definition of relationship marketing whereas some views intercept each other such as definition of relationship marketing as a part of network concept by Morgan and Hunt (1994) and Gronroos (1994) fits with each other (Aijo, 1996).

Gronroos (1994) explains that relationship marketing aims to coordinate relationships with customers and other partners, at a profit, so that all objectives are realized. Morgan and Hunt (1994) extend the scope of relationship marketing to include all marketing activities in the direction of building and maintaining successful relational interferences. Sheth and Parvatiyar (1995a) state that bordering relationship marketing's scope is essential for its development and stress the importance of cooperative relations between the organization and customers. According to them, relationship marketing is the procedure of participating in cooperative activities with customers to enhance value at reduced cost (Hunt, 1997). In addition, relationship marketing focuses on increasing lifetime value of customers (Ward & Dagger, 2007).

Relationships can be classified according to with whom the relationships are built. Present classifications of relationships are based on an organization and its relational exchanges with other parties. For the organizations to determine best relationship marketing strategies, success factors are categorized. These factors are explained as trust, loyalty, cooperation, promises, values and communication. These factors can be grouped as resource, information technology, competence, internal marketing, historical, and public policy factors. Resource factors are based on a resource view of the organization. Information technology (IT) factors include inter organizational knowledge sharing and integration communication. Competence factors are related to organization's resources and relationships. Internal marketing factors

are important for an employee's development of good relationships. Historical factors are related to past experience that affect the future of long-term relationships. Finally, public policy factors are related to regulations that affect an organization's relationship marketing strategies (Hunt, Arnett, & Madhavarani, 2006).

Some authors have addressed the scope of relationship marketing - (e.g. such as Christopher, Payne, & Ballantyne, 1991; Doyle, 1995; Kotler, 1992; Morgan & Hunt, 1994; Webster, 1992). Christopher et al. (1991) refer to the field of relationship marketing as direction, interior, customer, supplier and employee recruitment markets. Maximizing customer value is related with the maximizing roles of customer supporter, internal integrator, and strategic director and in network organizations partnership broker. Gummesson (1987) mentions the role of relationship marketing where everyone in the organization is also a half marketer (Tzokas & Saren, 2004).

In the literature, stakeholder theory explains relationship marketing in organizations. Stakeholder theory directs themes of relationships between the organization and other parties such as investors, employees, customers, suppliers and the related structure similar to relationship marketing. The stakeholder theory approaches the inside and outside customers of the organization. In addition the stakeholder model in relationship marketing brings a distinct message by evaluating stakeholders as a team player able to support the efficiency of the organization's target market by rising customer value. Stakeholders are evaluated inside the organization's overall marketing activities, but their relationships are viewed as they are also special part of the employee recruitment market (Tzokas & Saren, 2004).

According to Webster (1992), Gummesson (1994) and Gronroos (1994), relationship marketing focuses on relationships between the organization, other parties, and customers. Gronroos (1994) notes that either the customer or the organization may choose to activate these potential relationships or not. When they choose to be active, they conduct in a specialized mode which is relational, and in contrast when they do not, they conduct in a transactional mode. Therefore, the organization evaluates which one is more profitable to conduct - a relational or a transactional strategy (Hart et al., 1999).

There are three main types of relationship marketing. The first one is the dyad type, which is the relationship between a customer and a supplier; the second one is the triad type, which is the relationship between the customer, present supplier and competitors; and lastly the network of physical distribution (Gummesson, 1994).

After defining relationship marketing, the development of relationship marketing is covered in the following part.

3.1. The Development of Relationship Marketing

Relationships are thought to be an age-old issue in marketing. In other words, commercial relationships have been evaluated longer than the current discussion in relationship marketing. According to current discussion, relationship marketing is connected with the four sources - business marketing, marketing channels, marketing for services and database-direct marketing. These four areas change relationships in marketing from viewing as an exchange to viewing it as ongoing relationships (Möller & Halinen, 2000)

In this view, relationship marketing is related with the dyadic relationship type and the many sided triad type as well as networks relationships. It includes intra and inter organizational relationships as well as relationships between organizations and customers. Marketing facilities may affect marketing relationships indirectly unless the activities are without conclusion (Eiriz & Wilson, 2004).

In the late 1970s, researchers started to focus on dyadic relationships. Several approaches involve the beginning of dyadic research on the relationships of buyer and seller, political economy framework, channel relationships, industrial relationships and networks of related exchange relationships. However, from the mid-1980s studies on managing customer relationships were developed through integrated marketing communications (Möller & Halinen, 2000).

In the 1980s and 1990s, many organizations tried to minimize their costs. For this reason, they searched to find solutions in order to satisfy shareholders. Thus, a new strategic relationship marketing approach evolved in the 1990s. Looking at a different perspective in service or industrial marketing literature, it is based on providing long-term profitable relationships with customers (Gronroos, 1994).

During the first period of the 1990s, some articles are focused on relationship marketing. The general trend has been to widen relational exchange (Palmer, 1996). Till the second half of the 1990s, as the relationship marketing literature continued to grow, it was argued that to include only those collaborative marketing campaigns which concentrate on supplying the customers' needs should be reduced. Against this idea, many scholars criticize that relationship marketing must include much more sided stakeholders (Christopher et al., 1991; Gummesson, 1999; Morgan & Hunt, 1994). Afterwards, for relationship marketing, this view progressively

gained basis (Payne & Frow, 2017). In the 2000s, marketing activities are based on customer relationship management which is shaped by relationship marketing philosophy. Thus, relationship marketing can be evaluated as a crucial marketing perspective in the field.

After evaluating the development of relationship marketing, a comparison between relationship marketing and transactional marketing is made in the next part.

3.2. Relationship Marketing versus Transactional Marketing

The growth of relationship marketing depends on direct interaction and the emotional links between organizations and customers. Some authors address the economics of customer retention, inefficiency of the mass media to assist the customers' decision making process (Veloutsou, Saren, & Tzokas, 2002). Relationship marketing and transactional marketing are different philosophies. Relationship marketing does not request a temporary increase in sales but tries to operate relations and create loyalty by maintaining conversations. Relationship marketing represents the market oriented consideration that the organization can establish all its activities according to its customers. Marketers come across some restrictions placed by society (laws, industry agreements, and norms) which they have to consider. If an organization follows this basis, its operations should be successful and profitable (Takala & Uusitalo, 1996).

Incomplete basic values and the ethical problems are the main barriers in the success of relationship marketing. The basic values of relationship marketing include the interactional win-win relationships. For example, all parties are directors of a network of relationships; long-running relationships are valuable to the both related parties; and customers are coordinators of value and partners (Gummesson, 1997).

Relationship marketing differs from transactional marketing in its point of view. Transactional marketing is more related with short-period acts while relationship marketing is long-period focused. Based on marketing aims, products and services are the main measures of transactional marketing whereas relationship marketing relates to the products, services and the customers. While transactional marketing uses impersonal strategy, relationship marketing attempts to communicate with the customer (Bruhn, 2002). Relationship marketing leads to marketing productivity among marketers to communicate and maintain long-term relationships with consumers. This relationship is used by public policy and social critics, as long as the marketers or consumers do not mistreat it (Sheth & Parvatiyar, 1995a).

In the next part, customer relationship management is defined in detail including its components, its applications in different sectors, and its connection with relationship marketing.

4. Customer Relationship Management as a Tool

There is no consensus on the definition of CRM. There are many descriptions in the literature regarding the term CRM. CRM is a strategic approach that is concerned with improving stakeholder value by developing appropriate relationships with key customers and customer segments. CRM combines relationship marketing strategies and IT potential to build profitable, long-term relationships with customers and stakeholders. CRM offers advanced opportunities to use data and information to understand customers and provide value to them. This needs integration of processes, people, and marketing skills that make it possible with information, technology and practices (Payne & Frow, 2005).

CRM is an “ongoing process that involves the development and leveraging of market intelligence for the purpose of building and maintaining a profit-maximizing portfolio of customer relationship” (Shukla & Pattnaik, 2019). CRM is a strategic approach that helps to create customer value, aims to establish a long-term relationship with customers and stakeholders, and uses relational marketing strategies and IT activities for this purpose. In this way, CRM offers opportunities by processing the data and information in order to understand customers and strengthen relations with them, which requires the integration of people, processes and marketing skills by knowledge, technology and applications (Shukla & Pattnaik, 2019). The idea that an organization cannot build profitable relationships with all its customers and provide a differentiated offer for special customers are the strategy of CRM. Even though transaction customers are highly variable and unfaithful, relationship customers are more loyal and they are willing to pay high prices for a range of products or services. If the relationship customers are satisfied from the products or services, they are likely to be less flawed (Zineldin, 2006).

The goal of CRM is to develop relationships to influence customer acquisition, retention, loyalty and profitability. The importance of technology and its use in CRM helps to develop loyalty and commitment among existing customers. Effective use of CRM systems helps the organization in its relationship-building activities. It also contributes to the profitability of the organization. The success of a CRM strategy can be seen in the specific goals set for the strategy. Some of these goals are the retention of existing customers, improving the lifetime value of customers, improving customer satisfaction and ensuring customer share and

customer loyalty (Viljoen, Bennett, Berndt, & van Zyl, 2005). One of the most important strategies is to identify target customers based on the current business model and organization mission. This means that organizations need to be better addressed before deciding on CRM. They must also define the types of interaction with each section. One way to identify target customers is to use customer-centric models. Customer focus is the process of separating a group of customers into similar characteristics and managing departments to maximize the benefits and long-term profit potential of the organization (Nguyen, Sherif, & Newby, 2007).

While the CRM definitions vary, they can be grouped into three types - technology-centered, customer life cycle-centered, and strategy-centered explained as below (Tamosiuniene & Jasilioniene, 2007).

Technology-centered definitions establish the link between technology and CRM. It is not surprising that an investment in CRM technologies has been made, and the conversation has drawn CRM into the technological and practical mechanics (Tamosiuniene & Jasilioniene, 2007).

CRM is a technology solution that expands to separate databases and sales force automation tools to integrate sales and marketing functions to reach targeted efforts. CRM is a tool used in one-to-one customer communications, sales, service, call centers or marketing departments. CRM is not only for those departments, but it is for all departments in the entire organization. If CRM strategy is well applied, all company departments such as marketing, human resources, R & D, finance and information technology succeed in maximizing profitable relations with customers. As well as these benefits, CRM which is customer-oriented, technology-integrated and cross-functional strategy, also provides customer personalization, simplicity and convenience in transactions (Chen & Popovich, 2003).

Customer lifecycle definitions arise from the need for CRM practitioners to define a new regulation that focuses on the customer lifecycle. The customer lifecycle generally is described in a slightly different way which has four stages known as attracting, transacting, servicing and supporting, and enhancing. The aim of the first stage is to make the customers aware of the product and the organization to be interested. The decision to use products and services is the second stage. During the service and supporting phase, the customer needs the organization's assistance in the installation, use or service of the supplier. In the development phase, the customers consider purchasing additional products or services. In order to increase the customer's lifetime value, these parts must form a whole and successive cycle. Creating perfect

life cycle with the customer is very important in terms of marketing ability. CRM consists of basic strategies in order to make it happen (Tamosiuniene & Jasilioniene, 2007).

Strategy-centric definitions primarily aim to release the term CRM from any technology base. These definitions define CRM as “a technique for successfully competing in the market and creating shareholder value”. CRM creates changes in the structure of many organizations. This change transforms the big paradigms in the global business world. Many institutions, organizations and individuals support this transformation and argue that the long-term value depends on their adoption as a strategy for the entire enterprise and requires approaching them at the enterprise level. On the other hand, CRM is defined as a strategy that promotes customer satisfaction by maximizing it. With this strategy, the organization easily offers its products and services to the appropriate target audience (Tamosiuniene & Jasilioniene, 2007).

In contrast, CRM is defined as “the management of mutually beneficial relationships, in which customer data often plays a large role”. It has two stages, strategic perspective and operational perspective. The main purpose of CRM is to develop strategies to attract customers and increase their loyalty to maximize their lifetime value. CRM is a strategic approach for winning, developing, managing and retaining customers. Therefore, it emphasizes the importance of the relationship strategy and the process used to define customers, create customer information, and establish customer relationships.

In addition, strategic CRM defines an organization’s relationship with its customers through channels, messages, products and services (Saarijarvi, Karjaluoto, & Kuusela, 2013) whereas operational CRM means front desk operations. Operational integration points include user data and human resource systems, for example from a call center representative. In terms of operations, it is stated that CRM is an integration of technologies and business processes to meet customer needs during any interaction (A. Mishra & Mishra, 2009). Operational CRM is for front office operations such as sales and customer service. It includes transactions and software that affect the organization’s daily operations. It creates customer databases through analyses such as analytical CRM, data mining that allows for different transactions to different customers (Saarijarvi et al., 2013).

After defining CRM, components of CRM is analyzed in the next part.

4.1. Components of Customer Relationship Management

Based on past literature, it can be said that CRM is a multidimensional structure including key customer focus, CRM organization, knowledge management, and technology-based

CRM. This is similar with the idea that in order to be successful, CRM should be based on strategy, people, technology, and processes (Sin, Tse, & Yim, 2005). Next, these components of CRM are explained in detail.

Key customer focus: The main customer focus includes a great customer-oriented focus. It provides consistently superior value to main customers selected by customized offers. Key aspects of this dimension are customer-oriented marketing, key customer lifetime definition, personalization and interactive co-marketing (Sin et al., 2005).

The customer-oriented management approach includes activities that focus on increasing profits. The fact that the customer increases the lifetime value positively is an example of this. Organizations should care about the customers' stage of the customer lifecycle because every stages' needs differ. It aims to meet customer needs with personalized products and services by prioritizing individuality in marketing activities. As a result, sales increase and retention rates of existing customers increase (Tamosiuniene & Jasilioniene, 2007).

CRM organization: Organizations and their organizational processes should be based on CRM. The issues to be considered are organizational structure, organization-wide commitment of resources and human resources management (Sin et al., 2005).

Knowledge management: According to the organization's knowledge-based view, the main reason for the existence of the organization is the creation, transmission and application of information. CRM-focused evaluation ability is important in knowledge accumulation. The key aspects of knowledge management include knowledge learning and production, dissemination and sharing of knowledge, and information response (Sin et al., 2005).

Technology-based CRM: Activated by advanced information technologies, it is important to determine what kind of information is needed and who will collect it; and how to manage this information for future usage. From a knowledge management perspective, customer identity is crucial for CRM. If the organization doesn't have customer identity such as their transactions, it is impossible to define and manage them. An identified customer is defined as "a customer whose identification and contact information exists within the organization". After identifying its customers by having transaction data and in-depth understanding of their needs, an organization can have a chance to make them loyal by providing value for them (Park & Kim, 2003).

CRM can be defined as a "management process for acquiring customers by understanding their requirements; keeping the customers by meeting expectations; and attracting new

customers with customer-specific strategic marketing approaches”. This requires a full commitment from the whole organization. CRM uses IT to track how an organization interacts with its customers; analyzes these interactions to maximize customer satisfaction while maximizing customer lifetime value. While the business value from each customer is currently low, the organization has a broad customer base. CRM helps to identify the customers that generate the highest revenue for organization. Typically, these profitable customers account for 80 to 90 percent of the organization’s profit, although there are only 10 to 20 percent of the customer base (A. Mishra & Mishra, 2009).

Accurate customer data is important for successful CRM performance, and as a result, technology plays an important role in the inclusion of organization intelligence in CRM. In fact, amazing IT developments equip businesses with the ability to collect, store, analyze and share customer information. This information is used to respond to the needs of customers, thereby greatly enhancing an organization’s ability to attract and retain customers, build one-to-one relationships, make customer-value analysis and personalization. Unprecedented developments in IT transforms traditional CRM into a web-based approach supported by tools such as systems, automation of customer support processes and call centers. Computer systems such as “computer-aided design/manufacturing, flexible manufacturing systems, full-time production rooms, data warehouses, data mining and CRM software systems provide better and better customization at lower cost” (Sin et al., 2005).

In the next part, applications of CRM in different sectors are examined.

4.2. Customer Relationship Management in Different Sectors

In the 1990s, organizations started to apply their customer relationship management strategies. They tried to gain customer loyalty - not only improving customer service, but also providing some incentives, gifts and other advantages for their customers. This is the beginning of a number of other applications such as frequent brochure programs, bonus for credit cards, and CRM tracking and spending patterns of customer activities. CRM was used only as a way to increase sales and improve customer service (Tamosiuniene & Jasilioniene, 2007).

CRM developed from the sales force automation (SFA) market, which in turn emerged from communications management. Before 1993, CRM was comprised of SFA and customer service. SFA is used for supporting sales points in managing contact points and provides event schedules for customers. Today, CRM includes all corporate functions such as marketing, production, customer service, sales and field service, necessary to communicate

directly or indirectly with customers. Important but less obvious functions include order management, authorization of return materials, billing and etc. are linked to CRM (Tamosiuniene & Jasilioniene, 2007).

CRM requires the organization to manage and coordinate communications with customers in different environments. Today, the internet is one of the leading channels. Due to the potential for interactive communication, the internet was recognized as a promising tool for relationship marketing in the early 2000s and more recently for CRM. The internet is a channel that maximizes the profitability of customer interactions. The internet reduces costs, expands the market range and improves service quality. As a result of its importance, the internet as a channel for CRM is a very productive field of research (García-Crespo, Colomo-Palacios, Gómez-Berbís, & Martín, 2010).

CRM is a strategy that fits organizations in most of industries. The first organizations that adopted the concept of CRM were banks. The concept of CRM enables banks to identify needs and behaviors of their target customers and shape their strategies by providing superior value and communicate effectively with them and give competitive advantage over others (M. Laketa, Sanader, Laketa, & Mistic, 2015; Marinkovic, 2015). With the adoption of new information technologies, products and services can be tailored to new market needs. Furthermore, since the bank has sensitive information about customers, it is necessary to balance the costs arising from the protection of data and the need to use information due to legal regulations. When applying the CRM concept, the bank needs to distinguish between CRM search and technical implementation. In addition to technology, the processing of CRM technology includes the identification of technologies, objectives and facilities in the organizational structure and culture. CRM technology, products and services, as well as various non-profitable marketing strategies allow marketing decision-making analysis. CRM technology serves as a tool that helps to have a new customer supply and customer service (M. Laketa et al., 2015).

Organizations ranging from the tourism and hospitality industries to health care and education sectors apply CRM techniques to build close relationships with their customers. The organizations from tourism and hospitality industry keep data related with the guest's preferences, choices, and their buying behavior for creating and enhancing relationships. This data is used for customized product or services and communication purposes. For example, hotels or restaurants keep on communication through direct mail with special guests to whom they can provide special offers and opportunities (Cosic & Djuric, 2010). Educational institutions also apply CRM techniques in their operations with their students, alumni,

donors, faculty members, and staff members. Data related with students such as their registration, financial aid, accommodation and accounts are kept to manage their life cycle (Seke, 2015). On the other hand, CRM is also a beneficial system in retailing. The data in these sectors is as deep and detailed that the organizations can have a chance to respond to the changing needs and wants of their customers immediately whereas they can contact with their enterprise-wide databases (Anderson, Jolly, & Fairhurst, 2007).

In the following part, CRM is explained through relationship marketing.

4.3. Customer Relationship Management and Relationship Marketing

The concepts of CRM and relationship marketing are often used interchangeably. The core of both is the providing of personalized products and services, and in this direction, the development of the relationship between the customer and the organization. They implement applications to improve customer relations at every stage of the operational and strategic processes. Although there are some similarities, there are also differences between CRM and relationship marketing. Relationship marketing can be defined as “emotional and behavioral concept focusing on variables such as attachment, empathy, reciprocity, and trust”. However, CRM is more managerial in itself and focuses on joint efforts by management to attract, maintain and improve customer relationships. In addition, relationship marketing focuses solely on the supplier-customer relationship. It also includes establishing relationships with suppliers, employees and even the government (Sin et al., 2005).

The term relationship marketing further emphasizes ongoing relationships rather than individual transactions. Some have described the term as a management approach although marketing uses synonyms, for example, as “a management approach that enables organizations to identify, attract, and earn profitable customers by managing their relationships with them” (Wilson, Daniel, & McDonald, 2002).

CRM is based on relationship marketing values, building relationships requires the use of information to generate value for customers. CRM enables customers to deliver personalized products and services to satisfy their needs and engage customers. When customers share their opinions, ideas, they become value generators. As complexity of market structure increases and new technologies emerge, CRM becomes a technological response to relationship marketing. The emergence of CRM is due to different factors such as the transition from transactional marketing to relationship marketing, the importance of customer-centered organizations, change to strategy-based structures, the diffusion of information technology, and the growth of customized marketing (Araujo, Pedron, & Picoto, 2018).

CRM includes principles of both relationship marketing and customer-oriented management. CRM systems such as SFA, data storage, data mining, decision support, and reporting tools are applications of relationship marketing. CRM systems also provide a centralized customer information database, reducing replication in data entry and maintenance. This database modifies systems provided by individual salespeople, make customer data belong to organization, and prevents loss of customer information when salespeople leave the organization. Central customer data is also valuable for organizations that manage multiple product lines. In most cases, customers will overlap in different business lines, providing an opportunity to increase revenue through cross-selling (A. Mishra & Mishra, 2009). To sum up, CRM is a new-old concept which is grafted to relationship marketing principles and accepted as a tool for relationship marketing.

In the next part, new technologies in CRM including electronic CRM, mobile CRM, social CRM and relationship between CRM and big data are investigated.

5. New Technologies in Customer Relationship Management: Electronic CRM and Mobile CRM

Nowadays, with the rapid innovations in technology, CRM has become an integrated information source that makes organizations analyze their customers' information while it is completely incorporated with the organizations' business structure. It enables management to accomplish efficiency and accuracy by incorporating business rules and activities by the help of these information. By reviewing this information, top management would be able to make better decisions which will result in better performance of the whole organization (Hicks, 2006).

The main technological improvement in CRM makes electronic CRM (e-CRM) born. e-CRM is defined by Lee-Kelley, Gilbert, and Mannicom (2003) as “the marketing activities, tools and techniques delivered over the internet (using technologies such as web sites and e-mail, data capture, ware housing and data mining) with a specific aim to locate, build and improve long-term customer relationships to enhance their individual potential”.

For example, banks benefit from these technological developments, particularly e-CRM to accomplish individual and cooperate goals (Business Development Unica Corporation, 2006). Nearly all banks encourage customers to use online banking. This allows customers to check their accounts anytime and anywhere they want. Furthermore, banks allow customers to check credit rating reports, credit card rates, exchange rates, apply online mortgage loans, pay bills etc. On the other hand, banks track customer behavior on their websites, to offer them personalized service and improve customer service.

In addition, interactive voice response technology is another remedy for CRM in e-business. This technology is able to identify customers by ID, request for identification verification, and speak multilanguage. Call centers can use interactive voice technology to offer new products or services to customers and personalized discounts based on customers' needs and wants (Lubben, 2006).

In the past years, an increase in usage of mobile devices such as phones, pads, has led organizations to implement mobile CRM (m-CRM) applications. According to Dickie (2011) mobile devices with internet connection enhance the quality of the service by allowing people to do transactions at their convenience anywhere and anytime they want it (Laukkanen, 2007). Through mobile devices barriers such as geographic, time and location have disappeared.

There are some advantages of mobile applications that initiate the advancement of mobile business (m-business) such as accessibility of any goods or services at any time at any place. In addition, mobile devices are functional in any environment whereas easy and fast connections are available at any time and any place. It also provides capacity to adjust the information to the customers based on needs and wants (Nguyen, Sherif, & Newby, 2007).

m-business promises many opportunities for organizations and customers in the future. Mobile devices alters the way organizations and customers cooperate with each other. Sinisalo and Karialuoto (2006) mentioned that these developments lead organizations to employ mobile medium to promote CRM activities which will result in saving time, cost and inconvenience.

There are alternative definitions of m-CRM. For example, Kim, Lee, Wang, and Mirusmonov (2015) defined m-CRM as "one-way or two-way communications about marketing activities through cell phone to develop and sustain relationships between the customer and organization". Sinisalo and Karialuoto (2006) explains m-CRM as "utilizing mobile medium for the purpose of managing customer relationships and activate customers to start dialogue with organization via mobile medium". Liljander, Polsa, and Forsberg (2007) describe m-CRM as "customer relationship management of any kind including interactive communication between an organization and a customer using a mobile device".

According to Valsecchi, Renga, and Rangone (2007), m-CRM helps organizations to offer personalized and interactive communication with customers, track customers across media over time and provide content and service at the points of needs. This allows

organizations to gain insights on customer behavior and improve its customer intelligence. From a marketing perspective, this results in better recognition of customer needs and taking necessary actions by developing relationships with customers via analyzing past inquiries, transactions, complaints and problems solved.

After defining new forms of CRM such as e-CRM and m-CRM, social CRM is explained in the next part.

5.1. Social CRM

New forms of CRM rise by rapid changes in information technology. As the number of social media users has increased tremendously, organizations have started to track social media users' behavior for marketing intelligence purpose to satisfy their needs and wants better.

The emergence of social media has led to the creation of a new type of customers called social customers. A social customer can be defined as an individual who uses social media that moves in a scenario characterized by permanent connectivity, mobility, being multichannel and the progress of the internet of things. Also, social media transforms the way and makes it easier for consumers to convey positive or negative experiences regarding organization, to communicate with each other regarding buying preferences, through virtual communities (Eikermann, Hajj, & Peterson, 2008). Organizations join the social networking sites to connect with target customers. This gives an opportunity to obtain marketing intelligence from the communication among users.

The social business model was created to satisfy social customers' needs and wants. This new model aids organizations to boost their productivity because it lets a number of qualitative issues such as a good knowledge about market, real time communication with customer, taking advantage of word of mouth, better customer experience, lifetime value, improving products and services, enabling trust and quantitative advantages such as rise in sales, reduction in service costs to be gained (Dreyer & Grant, 2011; Faase, Helms, & Spruit, 2011; Mosadegh & Behboudi, 2011; Reinhold & Alt, 2011; Sarner et al., 2012).

As in all business models, it also carries some risks for organizations such as the fast circulation of good and bad news, hard to control social software, privacy and security risks arise as the user shares some personal data (Assaad & Marx Gómez, 2011; Labrecque, vor dem Esche, Matwick, Novak, & Hofacker, 2013; Schultz, Malthouse, & Pick, 2005).

In this context, the rise of Web 2.0 technologies has led to the development of CRM to social CRM (s-CRM). s-CRM aims to create good relationships between the customer and

the organization (Faase et al., 2011). This concept of engaging with customers on social media is known as s-CRM. Hence, s-CRM entails an organization to implement a customer-centric approach.

According to Mosadegh and Behboudi (2011), s-CRM is defined “as a specific strategy that aims to engage customers in a collaborative interaction that provides mutually beneficial value in a trusted and transparent business environment”. According to Chaffey (2011), s-CRM is “the process of managing customer-to-customer conversations to engage existing customers, prospects or other stakeholders with a brand and so enhance CRM”. He defines the “5Ms of s-CRM as monitoring, mapping, management, middleware and measurement”.

Organizations use CRM tools which integrate and encourage the use of social media such as wikis, blogs, podcasts, social networking tools for global customer management (Band, 2008; Marston, 2008). In this new atmosphere, CRM software developers should restructure CRM tools and review the capacities and capabilities to achieve these new criteria.

s-CRM is not a substitution of traditional CRM but rather should be accepted as an enhancement. s-CRM “is the response provided by organizations to the dialogues created and produced by customers on social networks” (Greenberg, 2009). This concept suggests transparency among organizations, consequently building up trust from customers, which results in customers’ loyalty. To achieve this, organizations need to manage customer relationships on social networks. Therefore, most organizations employ official accounts on social networks such as social media accounts.

In conclusion, advancement in internet technology allows customer to build their virtual community and this leads to a stronger customer voice. Organizations need to follow what customers say about them on social media such as blogs and social networking sites in order to be successful.

In the following part, big data and its usage for CRM are evaluated.

5.2. Big Data and CRM

Big data is a massive quantity of data. Different organizations from various fields such as trade, transportation, banks, hospitals use advance processing tools to benefit from big data for their businesses (Gahi, Guennoun, & Mouftah, 2016; Ohlhorst, 2013).

There are alternative definitions of big data. X. Wu, Zhu, Wu, and Ding (2014) claim that its value is embedded within “heterogeneous data types, complex intrinsic semantic

associations in data, and complex relationship networks among data”. Fosso, Akter, Edwards, Chopin, and Gnanzou (2015) frame big data as “a holistic approach to manage, process and analyze 5Vs (i.e. volume, variety, velocity, veracity and value) in order to create actionable insights for sustained value delivery, measuring performance and establishing competitive advantages”. Similarly, De Mauro, Greco, and Grimaldi (2016) define it as “the information asset characterized by such a high volume, velocity and variety to require specific technology and analytical methods for its transformation into value”.

Big data helps organizations to segment their market sensitively as making micro-segmentation for increasing CRM activities (Fosso et al., 2015). Segmenting techniques in big data determine customers’ profiles in detail that ensures an estimated reaction of the customers to marketing activities (Fan, Lau, & Zhao, 2015).

Big data supports the building of long-term relationship with customers by understanding their preferences, choices and behavior. Big data offers valuable data for CRM applications. In fact, customers are willing to provide data by sharing their interests, preferences, experiences about products or services to the public through different channels. Thus, big data uses this customer information to gain personalization.

To sum up, there are many benefits of using big data in CRM such as segmenting customers and profiling target customers, getting feedback from customers related with marketing offerings, predicting customers’ reactions toward marketing activities, and personalization in marketing strategies.

Using big data in CRM benefits organizations to create a long-term relationship between customers. Even though organizations use structured and unstructured data for decision making, unfortunately the fact is only eight percent of the marketers have comprehensive and effective solutions in collecting and analyzing this data (Sunil, Nobuyiki, & Linda, 2016).

In the next part, customer engagement including its relationships between big data and CRM are analyzed.

6. New Concept in Customer Management: Customer Engagement

In the last years, customer engagement has expected substantial consideration in marketing and CRM. The concept of engagement has been discovered widely by academics from several fields such as marketing information systems and management. It is a practice that stands at the crossway of the value co-creation models (Brodie & Hollebeek, 2011) and relationship marketing (Brodie & Hollebeek, 2011; Sashi, 2012). In the literature there is still

no agreement about the description of customer engagement. Previous studies suggest that the notion of customer engagement is explained through three main perspectives – the psychological method (Bowden, 2009), motivational psychology perspective (Brodie & Hollebeek, 2011) and behavioral manifestation (van Doorn et al., 2010).

Customer engagement is defined as “a psychological method including emotional and cognitive features that procure existing customers’ and new customers’ loyalty” (Bowden, 2009). Hollebeek (2011) explains the customer brand engagement as “the level of a customer’s motivational, brand related and context dependent state of mind characterized by specific levels of cognitive, emotional and behavioral activity in brand”. Likewise Patterson, Yu, and, de Ruyter (2006) define customer engagement as “a psychological state that is categorized by a commitment, absorption, interaction and degree of vigor”.

From a motivational psychology perspective, Brodie and Hollebeek (2011) explain customer engagement as “a psychological state that occurs by interactive, co-creative customer experiences with a focal agent/object (e.g., a brand) in focal service relationships”. By observing different streams of literature and by understanding these trends, they emphasize that customer engagement is “a multidimensional subject and perception to a stakeholder-specific expression of relevant emotional, cognitive and/or context or behavior”. When considering this concept along with the observed customer behavior, engagement involves the emotional and cognitive components.

Other studies focus on the behavioral features of customer engagement. Customer engagement is defined as “behavior that goes beyond transactions, and may be specifically defined as a customer’s behavioral manifestations that have a brand or organization focus, beyond purchase, resulting from motivational drivers” (van Doorn et al., 2010). It is identified as “a behavioral feature toward the brand or organization that goes beyond transactions” (Verhoef, Reinartz, & Krafft, 2010). However, other conceptualizations of customer engagement are used to represent the maximum degrees of loyalty (Bowden, 2009; Roberts & Alpert, 2010), these behavioral landscapes include not only maximum degrees of loyalty, but also all kinds of behavior (Libai, 2011). With the behavioral focus, customer engagement is concerned that customers are implementing a number of behaviors associated with the organization that a decade ago many did not even exist. This kind of customer engagement is directly linked to the emergence of all new methods and new media through which customers can cooperate with organizations, including purchase behavior and non-purchase behavior (Jahn & Kunz, 2012; Libai, 2011). Not only these studies but even other subsequent studies like Coulter, Gummerus, Liljander, Weman, and Pihlström (2012), and Javornik and Mandeli

(2012) evaluate customer engagement from a behavioral perspective, arguing that the focus must be on the behavioral appearance and must highlight the role of active facilitators.

How customer engagement can be provided by using big data is examined in the next part.

6.1. Customer Engagement and Big Data

Through the increase in using big data analysis, both practitioners and academics track customer behavior across different stages of organizations. Customers are able to communicate, exchange and share information with others, as well as provide many opportunities to interact with them (Choudhury & Harrigan, 2014). Customers take an active part through big data (Vivek, Beatty, & Morgan, 2012). This big data comes from many different sources like social and digital media which offer a wealthier context through all behavioral features which can be identified as customer engagement. In addition, it is possible to record and observe the volume and types of different customer engagement behavior as well as to address and understand these behaviors by the big data (Akter & Wamba, 2016). As a result, big data can be used with the behavioral approach providing a deeper understanding of customer engagement.

It is possible to gain customer engagement in a digital or non-digital way. With the help of Web 2.0 digital engagement takes place. Offline customer engagement is qualitatively different from online customer engagement through Web 2.0, given the nature of customer interactions, people can socialize and communicate which cannot be simulated by any offline interaction. Sharing more online customers over Web 2.0 refers to social singularity being interactive in nature.

Swami (2008) defines two kinds of engagement - behavioral and emotional engagement. Behavioral engagement involves all customer connections that are in relation to a brand more than buying a service or a product. While the emotional engagement leads customers to write and recommend through Web 2.0 related to their experience and to continue tracking, to have a more emotional bond with the brand or organization. Customers' behavior can be tracked via customer surveys, service calls, web browsing and others.

Engaged customers not only construct a strong association with the products of organizations, but also have potential to impact others positively in their buying decisions. This engagement is able to help organizations to create a large base of valuable customers and lead to better bottom-line economies (Adobe, 2008). Customer engagement can provide common aids for both organizations and customers. It provides a better understanding of the

market to quickly respond to business situations and customer needs, gain new customers, increase customer recommendations, improve brand loyalty, reduce business costs and reduce customer loss. On the other hand, it provides significant information about a brand, and helps to build contacts with customers that have similar needs.

Haven (2007) recognizes four stages of customer engagement - involvement (log in, site visiting, spending time, pages viewed and search by keywords), interaction (the quality of comment on the Web), intimacy (sentiments at call center and opinions on the Web 2.0) and influence (empathy towards brand and satisfaction forward to friends and bloggers). On the other hand, customer engagement includes the purchase and use (involvement and interaction), empathy and backing (influence and intimacy).

Organizations that build deep emotional relationships with their customers beyond logical boundaries are the most successful organizations. Through this relationship customers remain loyal to their brands that earn their passion and their logical trust. Customers who are emotionally engaged always act quite differently from those who are “cognitively or faithfully satisfied”. Emotionally engaged customers are less sensitive to price, spend more than other non-engaged customers (Tripathi, 2009).

The relationship between customer engagement and CRM, specifically s-CRM, is evaluated in the following section.

6.2. Customer Engagement and CRM

CRM is a tool that organizations use to expand their relationships with their customers. Over time, this tool has become the most important issue in all major sectors from manufacturing to service industries (Mirzoeva, 2015). CRM contains the processes, individual resources, informational and management of technology that are required to achieve aims such as attraction and retention (Missi, Alshawi, & Irani, 2002). Dionne (2001) describes CRM “as a business strategy based on methodology and supported by technology”. The most complete definition is recommended by Grabner and Moedritscher (2002) who considered CRM “to be a business philosophy that is fully customer oriented, including through using information technology, analyzing and monitoring customer relationships”. Chen and Popovich (2003) suggest that a CRM model should mix the three proportions of people, process and technology inside the context of an enterprise-wide, customer-driven, technology-integrated and cross-functional organization (Chen & Popovich, 2003). Through these combinations, the organization can choose particular technologies to improve its knowledge of customers and performance as well as enhance customer relationships. From this point of

view, CRM can be identified as a global procedure that allows a lasting and profitable relationship between the organization and customers. CRM is essentially a marketing tool used to improve customer value, and is also a set of concepts that will be integrated into the organization's overall business strategies (Dutot, 2013).

CRM experienced a major change from a strategy that focused only on the customer transaction to integrate customer connections (Shokohyar, Tavalae, & Karamatnia, 2017). Currently, marketers can extract initial information about customers that organizations can use to realize greater success in carrying value to the customer (Vivek et al., 2012).

Previous research has done a great deal of modeling on the use of technologies and their impact on CRM, but with the advent of social media, more marketers realize that technologies are already great enabling factors for CRM (Choudhury & Harrigan, 2014). Therefore, CRM has a new name called social CRM (Dewnarain, Ramkissoon, & Mavondo, 2019; Shokohyar et al., 2017).

Social CRM is a concept similar to CRM but it contains social methods, capabilities and functions that operate through the communication between organizations and customers as well as the customers and their peers, families and friends (Greenberg, 2010). In addition, the presence of these new tools, processes and technologies enables the interaction with customers (Zablah, Bellenger, & Johnston, 2004) to build long-term relationships with improved performance (Coltman, 2007). Social CRM therefore focuses on customer engagement through communicating, bi-directional relationships with customers where they are ready to participate in the marketing activities and the product offerings (Choudhury & Harrigan, 2014; Rodriguez, Peterson, & Krishnan, 2012).

Mobile devices and social media have changed the relationship between organizations with the customers pushing them to reach and create strategies to manage the relationship with customers beyond just financial transactions (Hollebeek, 2013). Also, a Gallup study showed that extremely engaged customers pay 23% more, which increases profitability and share of wallet (Venkatesan, 2017). While the Convero survey (2016) found that 74% of managers plan to make their investments on customer engagement in the following years (Dewnarain et al., 2019).

The channels of social media enable organizations to engage with customers under their own conditions and terms, at work, play or at any time they want, and through channels of their own choice. Organizations can encourage customers to buy more, help them to use the brand, make them more aware of the brand and manage customer complaints. Over the

product cycle, the organization can use social media in order to increase its speed in the market, to help in designing new products based on the desire of customers, to build early sales faster to maintain their prices, to increase quality or even to understand the features and functions that customers want. They use it to optimize the costs of sales, service and marketing expenditures by engaging customers and managing transactions by replacing the traditional media into new media channels and by paying attention to the voice of customers to decrease the cost of failure (Stone & Woodcock, 2013).

From a strategic perception, specialists define the engagement as “allow businesses to build deeper, more meaningful and sustainable interactions between the organization and its customers or external stakeholders” (Sashi, 2012). When a customer is connected through the brand, the quantity of time spent sharing across different channels is likely to increase over the internet either through comments on other user posts or in the form of content creation. By looking at customer purchases in a certain period, customers can be easily monitored. It is also possible to contribute to the development of the products by generating ideas. The number of stories created or even shared by the customer and a satisfaction assessment can all be done online. Thus, this can lead managers to provide remarkable understandings of organization performance (Kumar et al., 2010). Social media is reengineering the business processes by enabling the two-way communication strategy between the organizations and the customers. Thus, it can build many new challenges and opportunities. Sharing resources and gaining knowledge are prerequisites for the long-term sustainability of the organizations (Hristov & Ramkissoon, 2016). Online communications can generate huge knowledge and lead to the creation and growth of customer value (Dewnarain et al., 2019; Wu & Lu, 2012).

Woodcock, Green, and Starkey (2011) noted that social CRM offers full support to customer life cycle strategy and customer management strategy that will increase sales by reducing costs, spreading and increasing engagement and awareness. Social CRM can produce many benefits to an organization by following a four step procedure - engaging customers and prospects, attracting new customers, recalling customers and increasing customer value. Thus, social CRM supports the entire customer management strategy and customer life cycle and therefore should lead to improved sales through increasing the engagement and the awareness, and increase customer value and decrease costs (Dutot, 2013).

Finally, the subjects covered in customer management are summarized in the conclusion and some future recommendations are also included.

7. Conclusion

With today's changing competitive environment, it has become even more important to understand how to manage relations with customers. Thus, both academicians and practitioners try to find the most effective way of managing customers.

In this chapter, customer management and its development in marketing era are analyzed. First of all, marketing philosophies such as transactional marketing, relationship marketing and CRM by giving their definitions, roots, components and applications are discussed. New technologies such as e-CRM, m-CRM, and s-CRM and new concept called customer engagement are also included as the latest issues in customer management.

Relationship marketing philosophy helps to understand the main components in customer management such as attracting customers, maintaining loyalty and retaining them. Although relationship marketing is an old marketing topic covering decades, the interest in this area has grown in a different manner, known as CRM. With the technological improvements and the effects of big data, it becomes e-CRM, m-CRM and s-CRM. When customers build contact with any organization through web sites, blogs, or social media, organizations can get valuable information for shaping their marketing strategies.

Nowadays, the roles of both customers and organizations are no longer conventional, they have changed and in the future it is predicted they will continue changing. Organizations will implement new strategies with the help of big data in order to gain customer engagement.

In the future, it is proposed that the organizations will have more opportunity and capability to use big data in a more effective and efficient way. Thus, it is predicted that the future of customer management will depend on synthesizing technological improvements with relationship marketing philosophy in order to gain customer engagement.

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CHAPTER 4

ENTREPRENEURIAL MARKETING

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Abstract

Entrepreneurial Marketing (EM) has become a critical subset of the Marketing discipline. This chapter presents a comprehensive overview of EM, focusing on some of the most popular areas where EM is applied. This chapter provides an in-depth examination of how the attributes of entrepreneurial marketing are, in many cases, more effective in reaching customers and satisfying their needs. Entrepreneurs are an essential part of the global economy. Their contribution to business development, both domestically and globally, fuels the engines of economic growth and offers opportunities for large sectors of the world's population. Entrepreneurial marketing is a critical part of entrepreneurship that focuses on the customer as the fundamental driver of entrepreneurial success. As such, entrepreneurial marketers should not underestimate the importance of gathering customer insight to get new ideas, new products, and innovative processes. Acquiring market information from a broad range of customer networks gives the EM marketers a unique perspective on the actual fundamental customer desires. Entrepreneurial marketing is part of a variety of settings, such as global markets, non-profit organizations, and social media outlets. While the importance of entrepreneurial marketing is significant, it is not a discipline in itself but rather an innovative approach to modern marketing.

Keywords: Entrepreneurship, Marketing, Entrepreneurial Marketing, Innovation, Value Creation.

1. Introduction

Strategic thinking focuses on decisions that provide efficient and effective ways to address global competition and promote economic development. For a long time, entrepreneurship and innovation have been the hallmark instruments for driving global growth and development. This phenomenon has occurred in almost all sectors of the world economy. Businesspeople and policymakers can sustain business development, profitability, and increase growth by relying on these two instruments to remain competitive and thrive in the fast-changing global business environment.

This chapter aims to outline and discuss the impact of entrepreneurial marketing on accomplishing a new business venture's goals and objectives. The thrust of the section will be to show how EM has become a critical component of the entrepreneurial process and an indispensable part of the entrepreneur's marketing strategy. The chapter provides an in-depth discussion of the differences between traditional marketing and entrepreneurial marketing. Additionally, the section will discuss how the relationship between entrepreneurship and EM are intricately connected and can work harmoniously to reach sustainable growth and development.

Globalization offers businesses, employers, and entrepreneurs' myriad opportunities to seek new markets, broaden their product lines, and lower their cost of production. The launch of new products and new business models can promote meaningful improvements to many different types of organizations, both for-profit and non-profit ones. The goal of most decisions made on behalf of a company or individual within a business is to increase employees, investors, and stockholders' income.

Sometimes it is difficult to distinguish between business and entrepreneurship. Both of these concepts are associated with the development and operating of a business. Entrepreneurship relates to the activities connected with taking advantage of presenting business opportunities. Both of these forms of commerce focus on idea development, risk-taking, and innovation. Both are engaged in business transactions that focus on developing strategies that allow them to be competitive in their specific marketplaces. One can find entrepreneurship in just about every area of economic activity.

The first thought of entrepreneurship relates to the launching of a new business. We are talking about primarily a small business entrepreneurship. It is an entity that initially struggles to make a profit and is probably too small to attract venture capital and hence has to use personal or family funds or small business loans to get the business going. Grocery stores, electricians, carpenters, consultants, hairdressers, etc. are examples of these entrepreneurs.

The second category of entrepreneurship is scalable startups that receive funding from a venture capitalist. Such entrepreneurs need future venture capital funding to continue their growth and development. Facebook, Instagram, and online shopping are examples that come to mind.

The third entrepreneurial type is large companies that sustain innovation and offer new products to meet the changing customer needs. Frequently, this can be realized by associating with or buying innovative companies. Faizal indicates there are about 582 million entrepreneurs in the world today, or one in thirteen people owns a business. Among these creative entrepreneurs are Google, Microsoft, and Samsung (Faizal, 2019).

The present-day competitive environment requires companies to constantly seek out new and dynamic approaches to implementing their marketing programs. The increased risk decreased the ability to forecast, and the continuous uncertainty of the contemporary business environment are characteristics of entrepreneurial business ventures. Even with these existing business dynamics, the fundamentals of marketing have remained unchanged. Still, more attention has to be given to the current environment's, need for customization, one to one approach, relationship building, networking, strategic alliances, globalization and technology development, and implementation.

2. Entrepreneurship Defined

Over the last few years, companies, daily, find markets becoming more competitive and dynamic. This circumstance requires companies to become more versatile by using an assortment of strategies to remain active players in the market. If a suitable and appropriate marketing strategy is absent, a business cannot survive in today's competitive environment (Iajevardi & Faez, 2015). Entrepreneurs have become popular in developing new ideas that eventually become business ventures that create jobs, economic growth, and development. Existing businesses need new ideas to expand market share and business growth. Entrepreneurship and innovation are the keys to business sustainability, growth, and success.

While there are many ideas and definitions associated with entrepreneurship, one popular definition is as follows: "Defined entrepreneurship means a process which can occur in organizations of all sizes and types. Entrepreneurship is a process of creating value by bringing together a unique package of resources to exploit an opportunity. The process requires an entrepreneurial event and an entrepreneurial agent. The event is the idea or new venture while the agent is the person or group who means implements the venture and becomes responsible for its fruition" (Morris & Lewis, 1995).

Creativity, flexibility, and ability to find novel solutions, are core features that describe entrepreneurship. Entrepreneurship can also use new and pioneering ways to meet customers' needs. Such proactiveness can be accomplished through product changes, technological enhancements and addition of new processes to improve customer service. These innovative activities can be the mechanism a company uses to survive or achieve its ultimate success, especially in a global environment (Kurgun, Bagiran, Ozeren, & Maral, 2011).

The concept of entrepreneurship has both attitudinal and behavioral aspects. The notion of attitude refers to one's ability and inclination to adopt and accept change that will enhance the entrepreneur's ability to meet present and future customers' needs. On the behavior side, the idea relates to an individual entrepreneur's ability to take action by understanding business development activities and how he/she can acquire resources to implement the new business development ideas. Risk-taking, proactiveness and innovation are the underlying dimensions of these two components - attitude and behavior. Change is searching for creative and state of the art approaches to problems and needs, i.e., new technology, products, or processes. Adventurous entrepreneurs are inclined to invent specific resources for ventures even when they have a real chance of failure. Proactiveness signifies participating in actions or steps that will allow the new venture to achieve fruition (Morris & Lewis, 1995).

3. Entrepreneurial Marketing

The American Marketing Association (AMA) defines marketing as "the process of planning and executing the conception pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individuals. These marketing activities require scanning the environment, analyzing market opportunities, and designing marketing strategies, and implementing and controlling marketing programs "(Morris, Schindehutte, & LaForge, 2001).

Creating, delivering, and communicating value to customers is at the core of the marketing function. Additionally, it is also used to manage relationships with customers to achieve profitability and create value for the organization and its stakeholders. Conventional marketing is a thoughtful and systematically arranged process. As a concept it operates as if identifying customer needs, requires formal research to meet these needs. The firms plan to create and organize a structure for new products and service development. Yet, entrepreneurial behavior is informal, unplanned, and based on individual instruction and understanding of events in the marketplace (Becherer, Helms, & McDonald, 2013).

Traditional marketing means a deliberate, planned process of formal market research as its foundation. Prior to creating any product or service the marketer needs to properly assess

the consumer needs in order to correctly respond to the customer's desires. In contrast, entrepreneurial marketing behavior has a more casual, relaxed approach to assessing the customer. Nothing is planned or prescribed but rather relies on people in the field to get appropriate information (Stokes, 2000). Regular marketing that requires the marshaling of formalized marketing information and diffusion of that information to the proper people to prepare the proper products or services that satisfy the customer's needs. Customer need satisfaction is the end result of a company's market orientation strategies. Without proper market information, customers cannot be properly serviced, nor can they receive the products and services they need (Stokes, 2000).

In a different fashion, entrepreneurs make contacts with people they meet and through questioning and dialogue they are able to collect market, industry and trade information. The people contact approach keeps the entrepreneur close to new ideas that are being exchanged among professionals who are familiar with the geographic, the resources that are available, the threats that might emerge and the opportunities that are possible to exploit. (Stokes, 2000).

Because EM is different from the traditional marketing approach, its relationship to the business development processes requires the application of different skill sets and resources. People skills rather than pure technical skills are a major part of EMs composition. Through people, new ideas and opportunities emerge. It is later on in the business development process that the entrepreneurial marketer needs to introduce technical skills to strategically achieve business goals (Morris et al., 2001). Table 1 shows that Comparison of Traditional Marketing and Entrepreneurial Marketing.

Table 1: Comparison of Traditional Marketing and Entrepreneurial Marketing		
Marketing Principles	Traditional Marketing	Entrepreneurial Marketing
Concept	Customer-oriented, Market-driven, product development follows	Innovation oriented, idea-powered, intuitive estimation of market needs
Strategy	Top-down segmentation, targeting, and positioning	Bottom-up aimed at customers and other important groups
Methods	The marketing mix and four Ps.	Collaborative marketing methods, using word of mouth marketing methods
Market Intelligence	Formalized research and intelligence systems	Informal networking and information collection.
Source: Adapted from "Putting entrepreneurship into marketing: the processes of entrepreneurial marketing," by D. Stokes, 2000, <i>Journal of Research in Marketing and Entrepreneurship</i> . 2(1), p. 13.		

As one can observe in Table 1, both types of marketing have distinctive qualities. EM is more dynamic and flexible than traditional marketing. A key aspect of EM is its innovative

nature, meaning it creates new ideas rather than waiting for formal research to provide insights for exploitation. Entrepreneurship and marketing are at the origins of all business activities (Whalen & Akaka, 2016). They are disciplines that have much in common.

The interface of entrepreneurship and marketing comes at several different levels:

- a. Idea identification
- b. Innovation
- c. Exploiting opportunities
- d. Essential planning – marketing strategy development
- e. Requires an opportunity motivated approach
- f. It needs elasticity in order to focus on the unstable situations that exist in the global markets.

Items a, b, and d are corresponding to environmental scanning, marketplace opportunity analysis, and while questions e and f denote marketing's boundary function in an organization. As such, the integration and overlap of activities make the two disciplines unique and powerful operators in business development (Morris & Lewis, 1995).

Faced with brief decision timelines, scarce resources and unpredictable business environments today's managers must be alert and market knowledgeable. With ever changing markets, higher financial risks, and ever-changing technology there are significant challenges even when using EM capabilities. Be that as it may, EM, even with all these demands, can be a suitable marketing alternative because of its flexibility and adaptability. Additionally, the rapid change in technologies, economics, customer competition, legal, and social environments threatens products and opportunities for businesspeople. As such, entrepreneurial marketers are continually involved in the creation of state-of-the-art products and services, innovative processes that organizations can use to promote growth and sustainability. EM is all about continuous adaptation and continuous improvement (Morris & Lewis, 1995).

Transformation drives entrepreneurial activity. Innovation and entrepreneurship become the redeemers when proper and suitable responses to the market are equated with company survival (Morris & Lewis, 1995). Based on the preceding discussion, one can say that EM has a deeper meaning that it is just different than traditional marketing. As such, Entrepreneurial Marketing is:

1. Proactive marketing – seeking new ideas, new products and new markets.
2. Versatile application of unique marketing practices
3. Non-conventional marketing
4. Beneficial in its execution and driven by entrepreneurs
5. Perpetual customer value formation
6. Emphasis on innovation and market creation (Pandeya, 2010).

In contemporary business environments, EM is in the jurisdiction of all types and sizes of companies. Using EM in any type or size firm can increase the companies Rate of Return (ROR). Entrepreneurial marketers are market makers by using innovation capabilities to create new products and services that consumers have interest in purchasing. The EM marketer's skill set allows them to employ frequently the non-traditional marketing techniques because they are closely linked to the consumer and know the consumers' needs and desires. (Kilenthong, Hills, & Hultmann, 2015).

4. Characteristics of Entrepreneurial Marketing

Entrepreneurial marketing, as a marketing function, has several fundamental features:

1. Assertive
2. Attentive to opportunities
3. Planned risk-taking
4. Idea producing
5. Consumer focused
6. Creative resource allocator
7. Fabricator of value (Hacioglu, S.S. Ern, Ern, & Celikkan, 2012).

Entrepreneurship and marketing are alike in several respects. These similarities include a focus on domain expanding activities, a far-reaching relationship with the business environment and the ability to deal with real risk and ambiguity (Kelabi, Hosseini, Mehrabi, & Salamzadeh, 2011)

Innovation is central to marketing. The idea of change in marketing is most illustrative of what marketers do. Likewise, for entrepreneurs, innovation underlies the essence and existence of this discipline to build and sustain business ventures — the process of developing

new ideas. Creating new products and processes means that marketers are involved in the process of identifying change opportunities and in-trading change in an organization. These include new ideas and practices that are first time initiatives in society. Marketers must understand the forces that facilitate entrepreneurship at both the organizational and societal levels (Morris & Lewis, 1995).

EM lies at the intersection between marketing and entrepreneurship, where both disciplines use their attributes to exploit every opportunity that comes along. The concept includes an entrepreneur's EM activities that are composed of unintentional, multifaceted, and adaptable marketing techniques that focus on satisfying the customer. The boundary between marketing and entrepreneurship requires a firm to embrace the idea of being an entrepreneur and a marketer simultaneously. These tendencies do not substitute for each other but complement each other.

EM is a function within an organization that focuses on creating, communicating, and delivering benefits predominately to its customers. Additionally, it is also a mechanism for managers to enhance customer relationships while also including practices that provide the organization and its stakeholders with a value proposition. It achieves these goals through innovativeness, risk-taking, and proactiveness (Kurgun et al., 2011).

By exploiting appealing marketing opportunities through innovations, entrepreneurial marketing produces goods and services that create outstanding value. EM, as a function of marketing management, is able to use the marketing processes to identify new opportunities and then by means of continuous improvements in the marketing mix exploits economically alluring market opportunities.

Different from conventional marketing, the main point of EM is not only the relationship joined with customers but also the availability of goods and services which can provide benefits that the customer values. EM's focus is on innovative fabrication of value. This approach can be achieved by recognizing unmet customer needs and also by bringing together unique resources to provide excellent value for the customers (Miles, Gilmore, Harrigan, Lewis, and Sethna, 2015).

EM involves cultural tolerance of risk, innovation, and a proactive approach to business. It also needs management support in terms of capability building, designs, and technology development and marketing (Miles et al., 2015).

Opportunities are unforeseen market circumstances that represent sustainable profit centers. They are the consequence of market imperfections where knowledge about these limitations and how to exploit them is a unique skillset that distinguishes EM from traditional marketing.

This situation suggests a need for marketers to join in an amplified level of both active search and discovery (Kurgun et al., 2011). Marketers' learning and ongoing adaptation before, during, and after actual implementation is a critical requirement. Innovativeness is the prerequisite for a firm's competitive advantage and survival. Entrepreneurial marketing seeks discontinuous and continuous imitation that leads the customer to value the products and services that the entrepreneurs offer. Entrepreneurs and marketers need to think differently, unconventionally, or from a new perspective. EM people must be faster at the creativity and the discovery of new ideas than the competition. Achieving a competitive edge is why EM has been, over time, so useful in business venture development and growth (Hacioglu et al., 2012). In the most simplistic form, Figure 1 depicts component interactions of entrepreneurial marketing.

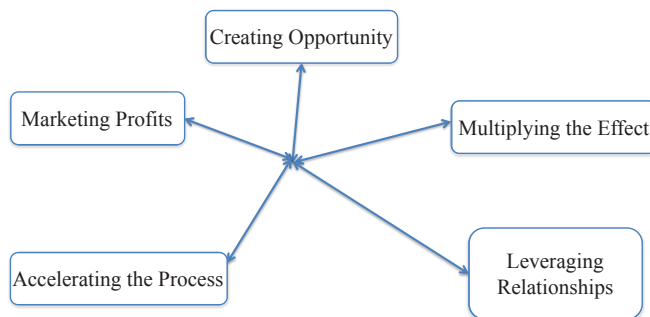


Figure 1: A Simple Entrepreneurial Marketing Framework

Source: Adapted from “Entrepreneurial marketing: A framework for creating opportunity with competitive angles”, by M. J. Swenson, G. K. Rhoads, and D. B. Whitlark, 2012, *Journal of Applied Business and Economics*, 13(1), p. 48.

Figure 1 provides a straightforward pictorial presentation of the significant relationships that create the concept of Entrepreneurial Marketing. The back and forth interaction of the five components furnish the dynamic activity that gives EM its strength and force for making the entrepreneurs' ideas and innovations successful realities.

All sorts of firms can use EM. The basic notion associated with this area relates to marketable entrepreneurship or ME and entrepreneurial marketing orientation or EMO. As

mentioned earlier, EM seeks to exploit attractive marketing opportunities by leveraging innovation to create goods and services that create superior value in EM (Miles et al., 2015) while EMO relates to a strategic orientation with market orientation and entrepreneurial orientation as its primary focus. Studies have noted that EMO has had positive effects on success rates among firms, and these studies have indicated that marketing success rates have improved with EMO. EMO is more efficient in dynamic environments. EMO denotes the interfaces and actions of a firm pursuing new market opportunities to provide value that customers need (Jones, Sethna, & Solé, 2013).

EMO constitutes the collaboration between EO and MO. As such, it captures the interactive effect of both orientations as depicted in Figure 2 or the combined impact of the marketing and entrepreneurial interactions.

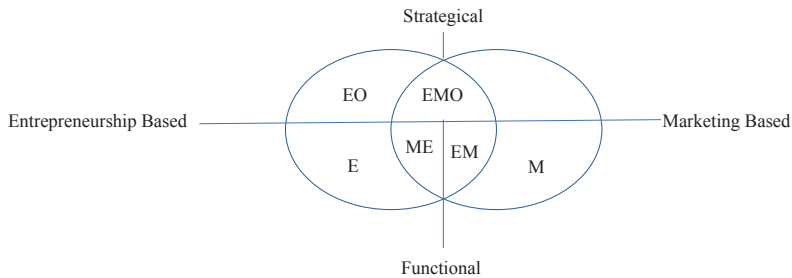


Figure 2: Model of Entrepreneurial Marketing Background

Source: Adapted from “Entrepreneurial marketing: conceptual exploration and link to performance”, R. Jones, Z. Sethna, and M. Solé, 2013, *Journal of Research in Marketing and Entrepreneurship*, 15(1), p. 30.

Definitions of Model’s component parts.

ME – marketable entrepreneurship, EM – entrepreneurial marketing, EMO – entrepreneurial market orientation, EO – entrepreneurial orientation, MO – Market Orientation, E -entrepreneurship and M – Marketing.

Figure 2 provides a more sophisticated yet revealing depiction of how Entrepreneurship and Marketing interact. The seven (7) elements of this model are all interrelated in this model. The Venn diagram shows the functional and strategic views of the interface of these relationships. In reality, it is this model that is what is happening in the real business world. The integration of all of these components of marketing has a direct impact on the successful implementation of entrepreneurial marketing. In the real world, all these parts are continually interacting, one affecting the other.

In most cases, entrepreneurial marketers plan nothing. They operate informally depending on what is happening in the business environment and what the consumer presents as a particular need to be satisfied. The interrelationships result from the independent operation of each component or the combinations or permutations of elements. These can be simultaneous or one at a time.

5. Entrepreneurial Competence

The ability to improve organizational performance requires resource capabilities that will allow for the implementation of marketing strategies that will be able to take advantage of the opportunities presented in the external environment. Implementation of Marketing strategies cannot occur unless specific marketing tactics are employed; it is necessary to have the appropriate competencies to deploy the tactics. The skills being referred to here are related to EM's networking abilities, innovative abilities, and proactiveness abilities. When a firm relies for the most part on market-oriented strategies without regard to internal competencies available to support the delivering of products or services, it is risk being surpassed by competitors who have acquired or created more sophisticated skills (Charton, 2016).

Survival depends on having a set of core competencies such as:

- a. Entrepreneurial innovations and having an innovator
- b. The ability to generate new knowledge or intellectual capital which is fundamental to any success to any marketing strategy.

In addition to these two significant competencies, entrepreneurial marketers need to have:

- a. Consumer knowledge competencies or understanding the issues and opportunities related to emerging markets and changing customer needs
- b. Competitor knowledge or skills associated with identifying weaknesses and threats in the business environments and the ability to target a firm's strengths against competitors' vulnerabilities
- c. Marketing – innovative interface competencies that require market knowledge to motivate internal operations towards the development of new and superior products and services (Charton, 2016).

One of the central and critical competencies that entrepreneurial marketers need to possess is dynamic competencies. These competencies relate to being able to adapt to constant environmental changes and the ability to restructure organizational skills, resources,

and competencies to address the customer needs and meet competitive pressures with better and timely processes, products, and services. This dynamic capability effort does not necessarily require acquiring new capabilities but instead building or rearranging and integrating existing skills and competencies to develop an organizational process that promotes organizational learning. When actions or decisions fail, the marketer learns from the failure and can implement corrective action that reverses the entrepreneurial marketing strategy to better respond to the presented opportunities.

The discussion, as mentioned earlier, leads us to some common examples of entrepreneurial marketing. They are summarized in Table 2 below:

Table 2: Forms of Entrepreneurial Marketing	
Form	Main Attributes
Guerrilla Marketing	Creative leveraging use of available resources and a highly targeted mix of innovative and effective communication techniques along with effective communication, networking, and imagination
Buzz Marketing	Customer-produced information distribution verbally, recommendations through personal networks, infatuation, and enthusiasm. Driven using events to excite people.
Viral Marketing	Self-replication promotion spreading and multiplying like a virus around the community. Similar to Buzz marketing but more Internet-oriented.
Source: Adapted from “Entrepreneurial marketing: moving beyond marketing in new ventures,” by S. Kraus, R. Harms, and M. Fink, 2009, <i>International Journal of Entrepreneurship and Innovation Management</i> , 11(1), p. 27.	

Table 2 presents the operationalized forms that entrepreneurial marketing manifests in the business world. Entrepreneurs use these EM forms to describe the type of marketing they are involved with as they search for marketing opportunities for existing and potential customers. The central component crossing all three of these forms is communication. Being able to communicate and attract customers effectively is a critical aspect of all three types.

6. Entrepreneurial Marketing and Strategy

Entrepreneurial marketing focuses on innovations and the development of ideas in line with an intuitive understanding of market needs. EM has interactive marketing methods relying on word of mouth communication to find customers. EM is also characterized by informal information gathering through networks and personal contacts.

EM entrepreneurship in marketing management focuses on using marketing processes to recognize new market opportunities and then to leverage innovations in the marketing mix to most effectively take advantage of economically attractive markets. EM employs the power of creating new users for existing products, new products, and new markets (Kilenthong et al., 2015).

Because the global business environments are constantly changing, marketing strategists need to identify market opportunities and then create responsive policies that will meet market conditions.

As such, marketing strategies provide plans for achieving the company's goals and objectives. They create a blueprint for marketers to use for implementing the tactics needed to achieve marketing success (Singh & Kumar, 2015).

Many organizations work on developing strategies that focus on significant issues that they confront in their day to day operations. One of these issues is the business's entrepreneurial problem. This notion relates to how a firm can take advantage of their market conditions and expand its market share. In this case, Miles, Snow, Meyers, and Coleman's (1978) prospector strategic typology can be applied. According to this strategic approach, a company tries to locate and exploits new products and new market opportunities. Using innovative ideas, the prospector organization develops marketing strategies that deal with changing customer needs, the marketing strategy needs to be proactive, dynamic, and interactive. Marketing strategy requires the direct alignment of company resources and capabilities with each other (Singh & Kumar, 2015).

Marketing and entrepreneurship are vital strategic orientations through which firms respond to market opportunities (Ahmadi & O'Cass, 2016). By combining the elements of entrepreneurship, marketing strategy, and management, entrepreneurs can begin to seek out opportunities and competitive advantages beneficial to their business ventures.

The marketing strategy has to have a purpose (Malnight, Buche, & Dhanaraj, 2019), and, in this case, we are talking about how EM as a core element of the marketing strategy can be used to achieve sustainable growth and development. Since EM focuses on innovation, risk-taking, and complete advantage seeking, it becomes a valuable vehicle for implementing marketing strategies. EM practitioners have to recognize the opportunities and adapt their strategy and tactics accordingly (Schindehutte & Morris, 2010).

The challenge of strategic marketing is to blend the elements of the marketing mix in a fashion that reflects the needs of key target customers while also enabling the firm to differentiate itself from competitors on a sustainable basis. Marketing mix elements are adapted over time to reflect changing dynamics as products evolve through their life cycles.

EM motivates businesses to explore anticipated and latent needs by leading and shaping the market rather than follow it. It focuses on creative approaches to customer acquisition, retention, and development (Miles et al., 2015).

7. Entrepreneurial Marketing Applied

Entrepreneurial marketing encourages innovation and creates and renews competitive advantage through sustainable value propositions in current and new markets. Entrepreneurial marketing requires an intensity of thought, networking, and motivation rather than the traditional analytical planning process.

Entrepreneurial marketing should be regarded as processes to create, communicate, and deliver value. Entrepreneurial marketing is a process that does not start with the assumption of an existing market and follows with the design and development of an appropriate product or service offerings. It is an opportunity-seeking way of thinking and acting (Thomas, Painbeni, & Barton, 2013). These processes determine and promote various levels of a marketing application. Table 3 below shows a matrix of multiple forms of entrepreneurial marketing among the essential sections of Entrepreneurial Marketing.

Entrepreneurial Marketing Applied at Specific Levels

Sections of Entrepreneurial Marketing	Marketing Culture	Marketing Strategy	Marketing Tactics
Innovation	The philosophy that promotes creativity and recreation	Create change by continuously redefining products and market context	Highly inventive approaches to each element of the marketing mix
Strategic Flexibility	Dynamic realignment to match opportunities	Emergent decisive action that is fluid and adaptable	Use of innovative products and market alliances to maximize alternatives.
Environmental Proactiveness	Challenging assumptions, redefining industry practices, and becoming a change agent.	Defining new markets and realignment of firms' products and services based on market opportunities	Providing variety and reduced costs.
Leveraging Resources	Use of network organizational competencies	Pushing strategic decisions regarding core processes and strategic alliances	Exploiting resources and skills to remain competitive.

Source: Adapted from "The determinants of entrepreneurial activity," by M. H. Morris and P. S. Lewis, 1995, *European Journal of Marketing*, 29(7), p. 36.

Table 3 summarizes four aspects of EM. It shows three significant areas of marketing implementation. Since effective marketing requires a stable philosophical orientation and organizational cultural immersion, practical strategies, and suitable tactics for application, it is essential to understand how these factors interact with the elements of entrepreneurial marketing.

8. EM and the Global Environment:

Globalization refers to the interdependence of national economies. Consumers, producers, suppliers, and governments in different countries constitute the players in the globalization process. Boundaries are less relevant Internationalization poses many challenges, and the barriers to this process can be daunting to some companies, especially start-ups.

The nature of entrepreneurship is ever-changing. Entrepreneurs now have the opportunity and challenges of participating in international markets. The entrepreneurial difficulties are different in the international arena. Understanding the complex dynamics surrounding foreign investors requires some added skills. Ultimate firm success in an increasingly competitive environment depends on innovativeness and proactiveness (Kurgun et al., 2011).

Internationalization is only profitable for organizations that are capable of strategic change. In the dynamic industrial markets entrepreneurial marketing is critical for sustaining the continuous growth of firms that have limited resources. For firms, marketing becomes an entrepreneurial process requiring a creative approach, involving leveraging the resources of others through partnerships. In the global markets, international new ventures (INVs) are companies with early and rapid growth. By selling its goods to multiple countries and also by using resources strategically business organization such as INVs initially and as they grow strive to gain substantial competitive advantage. With entrepreneurial marketing, INV employs this concept as a means of proactive creation of market opportunities in international markets. This tactic is used to acquire and retain customers through innovative approaches such as risk management, resource leveraging, and value creation. The entrepreneur using this business model provides a significant chance for global value creation (Aspelund, Madsen, & Moen, 2007).

INV operates in rapidly changing international markets and therefore needs to take into account the prevailing environmental uncertainty and performance ambiguity inherent in international marketing activities. Entrepreneurial characteristics such as innovativeness, proactiveness, and risk-taking are important characteristics for INVs. These attributes help to identify opportunities in the global market and leverage network resources for rapid internationalization. Innovation and aggressive strategies in multi-channel distribution are major features that INVs use as their primary proactive methods to use for their competitive advantage. They tend to operate in industries with a high degree of global integration (Yang & Gabrielsson, 2017).

Currently, in the global environment, marketing activities have become very competitive, and enterprises are doing just about anything to remain relevant and still meet the ever-dynamic needs of their customers. Managers need to take marketing very seriously so that they can sustain competitiveness among competitors in the dynamic global markets.

Three factors that drive international entrepreneurship are as follows:

1. Market dynamics – swift globalization, fall of regional, and physical borders. The arrival of new industries has demanded global participation
2. Variations and transformations in technology which lower communication and transportation costs. This phenomenon has virtually eliminated practical boundaries.
3. Varying firm composition with the use of alliances for simplifying internationalization with excellent options and a strategic necessity is critically vital in the contemporary business environment (Karra & Phillips, 2004).

The most crucial strategic decision affecting INV management is how the firm should develop the process of going international concerning time, scope, and scale. Alert entrepreneurs are very adept at quickly identifying market opportunities across borders and explore and take advantage of resources in a foreign market. INV management must also decide whether they have to spread their resources over a range of markets or focus on a few intensely.

Entrepreneurially focused INV is effective in its new ventures. Distributing resources may stretch the entrepreneurial marketing capabilities and shortchange the ability to meet pressing market needs successfully.

Most entrepreneurs succeed in international markets based on three success factors:

- a. Having a global vision– the entrepreneur can see the international market potential. He/she can acquire sophisticated market knowledge that permits them to identify and understand the international customer group(s) that similar value products and service attributes.
- b. Uninhibited collaboration – networking is a crucial component of this entrepreneurial success. Successful international entrepreneurs have skills in building and managing complex global networks.
- c. Multi-cultural competencies. International entrepreneurs have cross-cultural skills. For example, language and knowledge of the host country cultures are essential (Karra & Phillips, 2004).

Entrepreneurial Marketing is especially important to support the rapid growth of resource-constrained firms in dynamic industrial markets. For firms, marketing becomes an entrepreneurial process requiring a creative approach, involving leveraging the resources of others through partnerships. International new ventures (INVs) are firms with early and rapid growth in global markets. An INV is a business organization that from inception seeks to derive significant competitive advantage from the use of resources and sale of outputs in multiple countries. With entrepreneurial marketing, in this case, INVs employ it as the proactive creation of market opportunities in international markets to acquire and retain customers through innovative approaches to risk management, resource leveraging, and value creation (Yang & Gabrielsson, 2017).

Entrepreneurial characteristics such as innovativeness, proactiveness, and risk-taking are crucial for INVs. These characteristics help identify opportunities in the international market and leverage network resources for rapid internationalization. INVs operate in rapidly changing global markets and therefore need to take account of the prevailing environmental uncertainty and performance ambiguity inherent in international marketing activities. INVs place more emphasis on product innovation and aggressive strategies in multi-channel distribution. They tend to operate in industries with a high degree of global integration (Yang & Gabrielsson, 2017).

Networks - EM and Customer Relationships

EM renders customer relationship management especially essential and unique in two types of situations:

- a. Creating and leveraging relationships in early start-up stages of new ventures, early stages of customer development where the owner(s) need to talk to new customers,
- b. Gathering customer relationship information in the search for new opportunities (Whalen & Akaka, 2016).

EM is frequently related to growth. Growth comes through long-term relationships. Marketing through networks is an essential concept in entrepreneurial marketing. Marketers rely on systems to obtain information that can be used to identify untapped sources of customer value. EM marketers gather market information and gain access to potential customers through their networks. These networks can help firms deliver superior quality products to their customers and create entrepreneurial capital and a competitive advantage over the competitors (Kilenthong et al.,2015).

To EM marketers, the customer is the top priority. Do networks provide a form of organizational arrangement that can be effective? And efficient in connecting production, sales, and distribution networks. The establishment of these networks offers an opportunity to expand production, sales, and distribution in international markets. That is hard to imitate and hence provides a competitive advantage for entrepreneurs. Marketing through networks is an essential concept in entrepreneurial marketing. Resources from systems can help EM marketers overcome their resource constraints (Kilenthong et al., 2015).

Networks help founders of international new ventures or born-global firms identify international business opportunities, and these networks seem to have more influence on the founder's choice of countries. Global commercialization of innovation systems can be capable of developmental vehicles. Networking is an entrepreneurial marketing tool that assists entrepreneurs and marketers to reach out to a variety of potential consumers and explain, demonstrate and persuade them to buy or invest in their products or services (Vasilchenko & Morrish, 2011).

In general, globally classified networks consist of a set of actors linked by some set of relationships into social or business systems. Business networks are those that involve some form of repeated economics exchanges. Resources such as information, expert connections, and knowledge from networks can help EM marketers overcome their resource constraints. Entrepreneurs who talk to customers generally do not consider these activities as marketing but rather mechanisms for gathering information and conduits for finding and seeking new opportunities or ideas.

As firms expand into foreign markets, business networks can facilitate the acquisition of experiential knowledge about international markets and, therefore, can have strong reliability. By conceptualizing internationalization as an entrepreneurial process in investigating how entrepreneur-centered systems facilitate the route to the global marketplace. Entrepreneurial marketers can find different paths for implementing or operationalizing their ideas. Network exchange structures offer an opportunity in which resources can be gained without incurring significant investments and provide away (Vasilchenko & Morrish, 2011).

9. EM and Non-Profit Organizations

Turbulent times necessitate the employment of different tools to accomplish goals. Strategic planning and marketing are two of the tools that many non-profit agencies use to address their challenges (Morris et al., 2001).

The social or third sector is growing, and EM is becoming part of this growth. The employment of EM requires different competencies to engage and manage EM. Such items as networks and activities of networking. Networking and building relationships with buyers, suppliers, customers, and others along the supply chain is a critical competency for entrepreneurial marketing (Soriano & Galindo, 2010).

Not many studies about not for profit agency's entrepreneurial marketing have emerged even though EM is critically important in this context. Not-for-Profit organizations make a significant contribution to society worldwide. Just about all communities in the world have not for profit agencies. Philanthropic entities and the agencies they support are essential to world societies. Organizations such as churches, educational bodies, charities, and others are examples of not for profits that use social entrepreneurship techniques, strategies, and tactics to accomplish their goals. These organizations generally deal with both simple and complex social issues.

While there are differences in how not for profit agencies employ EM, the essence is goal attainment. Not for profit organizations focus on some of the same critical areas as do profit oriented-companies:

1. Opportunity recognition
2. Entrepreneurial effort
3. Entrepreneurial organizational culture
4. Networks and networking (Shaw, 2004)

All four of these themes are similar to those in the profit world. Because the mission and clientele are different, then it is only logical that the manager or EM will have slightly different labels for similar activities.

Social enterprises are in the business of trying to alleviate social problems by providing services to a target clientele. Their work tries to benefit society and increase the quality of life among the disadvantaged. Social marketing may be used to promote vaccination against diseases in communities. Social marketing can offer unique strategies to support the growth and development of their organizations. Generally, social organizations are established to address social problems such as poverty, homelessness, child welfare, criminal justice, and many other social maladies.

Marketing in social enterprises focuses on three primary points, the clients, the volunteers, and donors. Hence, marketing in non-profit (NPRs) is quite a bit different than the traditional

marketing practices. NPR marketing employs many EM attributes such as innovativeness, proactiveness, informality. Since the bottom line (profit) is not NPRs motive, then it is possible to deploy EM practices quickly (Ghods, 2019). Main players associated with Social Enterprises can be seen below (see Figure 3).

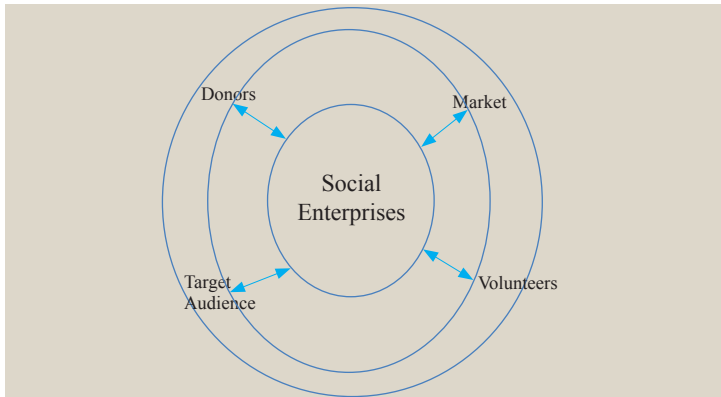


Figure 3: Main players associated with Social Enterprises.

Source: Adapted from “Entrepreneurial marketing: the missing link in social enterprise studies”, by M. A. Ghods, 2019, *Journal of Global Entrepreneurship Research*, 9(1), p. 7.

Figure 3 shows that EM is a multi-dimensional idea. Still, a multi-purpose tool focused on reaching its clients via four primary sectors, namely Donors, Target Audiences, Volunteers, and the Market. The market offers the talent, capabilities, and resources for meeting the human service needs of society. Each one of these players is intricately involved in the entrepreneurial marketing strategy-making process and activities. These activities include implementing entrepreneurial strategies and tactics to achieve the goals of social enterprise.

Fund-raising is a significant function of most non-profit agencies. Still, over time, this environment has become so competitive that agencies have to expand their idea banks and call upon various marketing approaches and strategies that can acquire more funding for these agencies.

They are continuously trying to find innovative ways to solve these complex social problems (Morris et al., 2001). Through idea development, imagination, and hard work, these social organizations promote novel ways to serve their clients (Ghods & Asgari, 2019). Since EM focuses on innovation and creativity, it would seem appropriate to use EM in the fund-raising activities of non-profit agencies. EM strategies that specifically focus on the notion of

the entrepreneurial competitive advantage can be used in public sector organizations to meet the needs of the public and various constituencies. Health care agencies, educational institutions, and public works use EM techniques and strategies to implement their marketing strategies.

10. EM and Social Media

The ability to be in front of the consumer 24 hours a day is now a real possibility. The exploitation of social media is a major vehicle for marketing products, services, and the entire firm. Companies can use social media networks, blogs, microblogs, and small syndications (RSS) to reach their markets and customers. These platforms filter information from websites and give customers a variety of venues for getting and sending data, including the usual traditional approaches for information exchange such as billboards, TVs, magazines, newspapers, and other forms of current promotions. One of the significant challenges facing EMs relates to integrating social media sources with conventional methods of reaching customers. Social media provides affordable channels for marketing and appropriate tools for firms to use in reaching their customers around the world (Nakara, Benmoussa, & Jaouen, 2012). A popular and effective marketing strategy for the promotion of products and services is through Social Media EM. While traditional forms of networking enable firms to adopt relational approaches, doing so over the Internet can noticeably improve their marketing efficiency. Internet social networking offers more possibilities to cultivate marketing activity and support visibility in the market. The Internet has changed the marketing philosophy. The customer now has become the starting point for marketing activities. So, the Internet has opened more windows for e-marketing by developing social networks. Interacting between customers and the firm is a significant feature of the Internet. The degree of interaction is the power provided by EM professionals. As a valuable marketing tool for networking with customers, social media, can improve communication, explore new markets, and reinforce the firm's image and reputation (Nakara et al., 2012). Entrepreneurial marketing fits well with social media because of its flexibility and innovative capability to create and implement strategies and tactics that are suitable for social media audiences.

Social media provides a powerful means for firms to build networks and use them to profile customers and understand their needs and wants. The use of social media does not mean an end to conventional marketing tools but rather combining tools for building marketing strategies (Nakara et al., 2012).

11. EM and Technology

In the technology context, the role of relationships and partnerships is crucial such as those between stakeholders, investors, universities, customers, and other technology firms (Whalen & Akaka, 2016).

Creative destruction has caused the world of business to be on a constant treadmill of never-ending technological advancement and discoveries. Technology is critically essential to EM because it provides a gigantic and powerful tool for reaching markets and entrepreneurial goals by enhancing a firm's overall performance. Technology provides the means for overtaking competitors and the creation of new businesses and industries. Important to EM is the innovative focus of technology. Since innovation is part of EM's existence, it is critical to understand its relationship to EM. Achieving and maintaining market leadership is usually a function of scale and superior performance with its unique products and services. A crucial part of the commitment to Entrepreneurial innovation rests on the firm's ability to take advantage of significant and value-added technology. Most of the essential technology resources are scarce and expensive. So, making sure that proper talent is recruited and available for a business' entrepreneurial pursuits is critical to its success. As such, weakness or vulnerability in technology can harm the success of any EM efforts (Charton, 2016).

Historically and even today firms operate in conditions of uncertainty. EM has evolved as an undeniable alternative that can deal with with the decreasing effectiveness associated with traditional marketing. The rapid change in technology and consumer tastes creates conditions of possibility, which renders conventional marketing strategies and tactics ineffective. EM addresses uncertainty by frequently engaging with prospective customers. Traditional marketing relies on predictive market research meant to reduce risk before designing products and offerings.

Technology firms operate in dynamic, fast-moving, highly competitive markets where a key challenge is to identify close rivals and to launch new products for the customers. In this environment, EM oriented firms show higher growth continuity from the outset. They can do this because they are flexible, innovative, and focused on seeking competitive advantage through excellent customer relations. Using technology as a vehicle for networking and connecting with appropriate resources, EM professionals can take advantage of the dynamic market conditions and changing customer needs and desires.

EM's role becomes more visible and distinct in technology firms because EM becomes more fundamental for the survival of the business. Previously market condition demands required an entrepreneurial mindset that focused on new ideas and new product development all the time. Alternative approaches are ready to go all the time because the likelihood of market acceptance is uncertain, prepared to go all the time. Walmart, Apple, and Tesla are companies that use this technique all the time (Whalen & Akaka, 2016). When entrepreneurial approaches to marketing are employed, organizations are better positioned to identify and exploit market opportunities.

Intangible assets such as knowledge technology cause the mobility of competitive advantage.

Entrepreneurial firms possessing new advanced technology can leverage their power of being flexible and fast-moving in times of industry shifts. They can launch innovative, high-quality products globally and establish a competitive platform before they meet competition from more significant and more resourceful players. Organizational capabilities of absorbing new knowledge from international activities strengthen International expansion and performance (Aspelund et al., 2007).

12. Conclusion

Application of Entrepreneurial Marketing is a multi-dimensional concept applicable in a variety of setting such as technological industries, international environments, social media arenas, and in the non-profit or public sector. Implementation of the philosophy, culture, strategies, and tactics available with entrepreneurial marketing is possible in all of the areas mentioned above.

EM is now the most precise way organizations can sustain long term growth in today's world.

Any size firm or public sector organization can use EM as a strategy for enhancing future performance. Traditional marketing focuses on the delivery of a marketing plan by implementing and utilizing the 4 Ps of product, price, promotion, and place. Entrepreneurial marketing broadens marketing options, strategies, and tactics for meeting customers' needs.

Entrepreneurship is the process most likely to prevail in those circumstances where the market is in disequilibrium, and customers have needs that are not being fulfilled appropriately by suppliers. Competition pushes economies towards equilibrium. The entrepreneur

purposively changes aspects of the marketing process to create new disequilibria. As such, the entrepreneur can exploit differences between market needs and goods offered by most or all of the current suppliers.

Entrepreneurial firms exhibit the behavioral dimensions of risk-taking, innovation, and proactive response to achieve a new equilibrium.

EM has been suggested as most effective when environmental changes are significant, and resources are limited. EM focuses on opportunities, risk-taking, innovation, customer intensity, resource leveraging, and value creation (customer-centric = innovative approaches to create, build and sustain customer relationships) (Becherer et al., 2013).

Implementation of the following items can create a future in business, markets, and marketing. These items are:

- a. change rules of engagement – how companies pursue opportunities and innovate
- b. redraw the boundaries between industries so that each business understands its competitive path
- c. create entirely new industries that are totally capable of meeting customer needs.

Conventional marketing seeks to achieve market dominance by exploiting economies of scale to sustain market status. EM is concerned with innovation and new opportunities driven by the aim of creating an imbalance that alters existing market dynamics. Firms need to move away from reactive approaches to proactive orientation. Leadership is critical for useful EM (Charton, 2016).

Location does not free businesses and/or organizations from uncertainties. Rather it will pose different types of challenges, Some examples of the possible challenges are listed below:

1. There will be challenges associated with attempting to adopt an entrepreneurial approach to the marketplace in how to harness or develop these competencies. Entrepreneurial marketers need to build a more extensive range of skills and competencies.
2. There will be challenges for EM firms in terms of growth. The entrepreneur can get caught up in the day to day operation of the business and not able to pay attention to the creativeness and innovativeness which are the hallmarks of EM.

Rather than resisting change, EM professionals need to work with change by anticipating the future. Strategic competency weapons such as creativeness and innovation are necessary for contemporary economic environments. Entrepreneurial marketers need to find competitive advantage mechanisms against the uncertainties and challenges that will inevitably arise. Entrepreneurs need marketing and marketing needs entrepreneurs. So, strengthening the interface between the two is a goal all entrepreneurs and marketers need to embrace.

Entrepreneurial marketing does not replace the traditional marketing activities but rather becomes tangential, and a complementary to the conventional marketing approaches. EM's versatility, it can be applied without a lot of preparation. Essentially, it is a natural method of marketing. It happens when it happens is one way to say it.

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CHAPTER 5

SOCIAL MEDIA

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Abstract

Social media, which is considered as the new trend until yesterday, recently has become the new normal in marketing communications. Nowadays, many companies devote a significant portion of their marketing communication budget to social media. Choosing the right one among many types of social media to create the desired marketing outcome can be said to be the most challenging issue for marketers. In order to utilize social media types effectively for marketing communication purposes, it is necessary to recognize them and truly understand for what purposes they can be used for. Therefore, the aim of this chapter is to examine social media and its tools, which have become inevitable to be integrated into the marketing communication mix.

The chapter is organized as follows: The first three parts of the chapter focuses on the integrated marketing communication concept. In the fourth part, the relationship between web and social media, differences between traditional media and social media and the challenges that come with social media are discussed. The fifth part of the chapter briefly explains different types of social media and how people process and use them. In the sixth part, some of the popular social media platforms and how they can be used by business users are explained. The seventh part highlights the role of social media in consumer decision-making. The eighth part questions the widely accepted media planning approach. In the ninth part, the outcomes that companies can achieve by using social media are discussed by giving examples of real company practices. Finally, in the conclusion, the author debated over the future of marketing communication and social media.

Keywords: Integrated Marketing Communications, Internet, Web, Social Media, Social Media Types.

1. Customer Centric Marketing and New Marketing Communications

The evolution in information and communication technologies in general and especially in the internet is transforming business practices dramatically. According to Seybold, Marshak, and Lewis (2001), the Internet started the customer revolution since the power in the buyer-seller interaction has been moving to the buyer systematically. The outputs of this revolution are empowered customers and a customer-driven marketplace.

The Internet has empowered the consumers in two ways. At first, consumers' purchases are more informed by the help of independent reviews, recommendations and reports that are more accessible to them; secondly, they are easily connecting with other customers instantly from around the world and exchanging opinions or experiences through electronic word-of-mouth communication at unprecedented levels (Niininen, Buhalis & March, 2007).

In order to survive in this new empowered customer context, companies should transform into customer-centric organizations by organizing around the demands of the customer (Galbraith, 2011). Following this shift, marketing mind set also has to be changed and customer centric approach should be adopted. This approach suggests capturing and deploying consumer insights to enhance marketing effectiveness and better serving brand's best prospects (Niininen et al., 2007). The aim of customer centricity is to obtain insight about the individual traits of customers through gaining expertise in the customer values, habits, motivations and attitudes that help customers to form opinion about the brands offered to them (Niininen et al., 2007; Wright, Stone, & Abbott, 2002). In sum, the customer centricity process has three steps (Niininen et al., 2007) as shown in Figure 1:

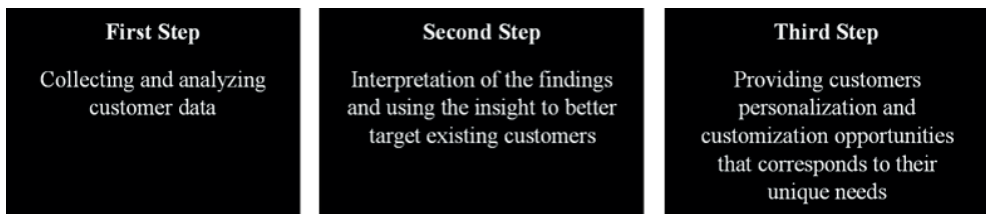


Figure 1: Three steps of customer centricity process

These three steps function like a tripod for developing a customer-centric marketing strategy. In order to succeed in that marketing strategy, marketing mix elements should also be planned with a customer oriented approach. Among the marketing mix elements, marketing communications is the one that is mostly affected by the developments in communication technologies since the Internet has fundamentally altered the way of interaction and communication (Hudson, 2014). Today, people have more media options and they have the

chance of determining how they want the commercial content to reach them. In response, a wide variety of marketing communication tools and techniques are trying to be applied by marketers than ever before.

2. Evolutionary Development of Marketing Communications

Traditionally, before 1970's, marketing communication, which is also called "promotion", was defined as "communication that builds and maintains favorable relationships by informing and persuading one or more audiences to view an organization positively and accept its products" (Pride & Ferrell, 2016).

This approach to marketing communications was built on promotional methods such as personal selling, sales promotions, ads and publicity. Besides, as it was before the time of online marketing and social media it lists the main communication tools that were available at that time. The marketing communication concept transformed into "integrated marketing communication (IMC)" between the end of the 1980s and the beginning of the 1990s (Duncan & Everett 1993; Miller & Rose 1994; Schultz 1993; Vollero, Schultz, & Siano, 2019).

The foundations of IMC were pioneered by Donald Schultz (1993), and he defined the term as follows: "IMC is the process of developing and implementing various forms of persuasive communications programs with customers and prospects over time. The goal of IMC is to influence or directly affect the behavior of the selected communications audience. IMC considers all sources of brand or company contacts which a customer or prospect has with the product or service as potential delivery channels for future messages" (Schultz, 1993). With the IMC concept, coordination and consistent interrelationships of the all communications effort (including messages given by other marketing mix elements called product, price and place) gained importance. Nowadays, IMC is still valid concept both in theory and practice but both its scope has enlarged as the time and technology evolves and the models related to execution of integrated marketing communication plan has changed. Let's look at first to the stages of IMC in practice as modelled by Kitchen and Schultz (2001), and then examine the evolution of IMC paradigm from linear IMC to multidimensional IMC.

2.1. Applying Integrated Marketing Communications

In the first stage of IMC, there is only a simple coordination across various functions of marketing communications (such as advertising, personal selling etc.), for instance, company uses a standard logo, slogan, corporate colors, and a general message. Also, they are not strategically integrated to achieve an overall goal but each category has its own goals; for

example, the advertising function might seek to improve brand recall, the sales promotion area may be focused upon market share or revenue increases. This stage represents a company-oriented view of communication (Kitchen & Burgman, 2010)

In the second stage, a company utilizes not only personal selling, public relations, advertising and sales promotion but all customer touchpoints that help existing or potential customer to engage with the company such as product packaging, price, retail points, e-mail, website, social media accounts, customer reviews, after-sale service contacts, staff uniforms, word of mouth, direct marketing etc. In addition, a company collects behavioral data in order to understand customers and to see itself from the customers' point of view. That is why this stage is seen as the first attempt to be customer-centric in marketing communications (Kitchen & Burgman, 2010).

In the third stage, with the help of information technologies, customer data drawn from a database are transformed to customer knowledge, and let company execute messages with the right timing and at the right place. In conclusion of this data driven communication, a company can track the progress of each customer (Kitchen & Burgman, 2010). These kind of information technologies also help companies to track the purchase frequency of customers or the first time they purchased from the company and to predict future behavior of their customers. For instance, banks, with the help of customer database track their customers' usage (or not use) of certain banking products or the bank itself, and accordingly can make new offers to its customers to increase the share of each customer.

The last stage necessitates the integration of marketing, finance and research in order to execute IMC at the strategic level. The main purpose of the cooperation between these functions is to become a real customer-centric company and also be able to measure whether the corporate goals, not tactical product/brand objectives, achieved or not (D.E. Schultz & Schultz, 2003; Fitzpatrick, 2005; Gonring, 1994; Kitchen & Burgman, 2010; Schultz, 1997).

2.2. Evolution of IMC Paradigm: From Linear to Multidimensional

Since the Internet has commercialized, many business applications have changed considerably. At the beginning, company websites were looking like an online catalog but now they are interactive touchpoints that not only the companies but also the users of the site can produce and upload content. What widespread penetration of the internet and related technologies like interactive digital media bring to life is "customer empowerment" (Kozinets, De Valck, Wojnicki, & Wilner, 2010; Labrecque, vor dem Esche, Mathwick, Novak, & Hofacker, 2013). Internet, digital media and empowered customers have radically shifted the perspective of linear integrated marketing communication into a multidimensional integrated

marketing communication, which utilizes multiple touchpoints that are controlled by both the company and the customer (Vollero et al., 2019).

Linear perspective, like the multidimensional model, attaches importance to mutual dialogue (Duncan & Moriarty 1998; Hartley & Pickton 1999; Peltier, Schibrowsky, & Schultz 2003) but in this perspective only the company can start communication (Bacile, Ye, & Swilley 2014; Vollero et al., 2019). However, the multidimensional approach lets all users engage with a company through multiple touchpoints including social media, which are partly not in control of the company and in a way wherever and whenever they want. Thus, the multidimensional approach necessitates an important mind change that companies are not the only actors in creating, spreading and controlling the communication content (Schultz, Malthouse, & Pick, 2012; Vollero et al., 2019).

The main driver of this transformation is the developments in information communication technologies. Consumers' access to information related to products, brands, price information and other consumers' opinions, etc. increased through the use of the Internet during the end of the 1990s. This resulted with a decreased information asymmetry (e.g. Wright, Pires, Stanton, & Rita, 2006; Pitt, Berthon, Watson, & Zinkhan, 2002; Day, 2011) and a decreased unbalanced power structure between companies and customers (Vollero et al., 2019). The outcome of this power structure change is more questioning and demanding consumers. In order to manage this new situation, companies developed relationship approaches and started to develop their offers through interactive communication with consumers.

Throughout the 2000's, consumers get more empowered through their contribution to content production in social media (eg. online communities, personal blogs, online forums, media sharing platforms and social networks sites). It means that with the growth of social media, consumers have become more imposed to user-generated contents, recommendations, guidance, reviews, complaints and compliments of other people related to products, brands and companies in general. In addition, social media let customers communicate with one another and converse about brands and companies, and this means that customers are no longer passive targets but are becoming active media of communications (Kotler, Kartajaya, & Setiawan, 2016). Thus, how consumers make-up their buying decisions has changed as consumers became more influential (Thompson & Malaviya, 2013; Vollero et al., 2019).

In sum, the consequences of an increased "number of touchpoints", "customers' content creation in various digital environments" and "access to information" (Erdem, Keller, Kuksov, & Pieters, 2016; Labrecque et al., 2013) at the companies' side are the loss of governance in

marketing communications. These developments are forcing companies to change their communication approach from linear to multidimensional, in which interconnected multiple touchpoints are controlled by both the company and customers (Vollero et al., 2019).

As recommended by the multidimensional IMC approach, marketers need to coordinate all their digital and traditional media marketing communications activities. The integrated marketing communications toolkit (see Figure 2) includes personal selling, sales promotions, advertising, public relations, direct marketing, and publicity, events and experiences, mobile marketing and online marketing in total (Key & Czaplewski, 2017; Keller, 2016).



Figure 2: Integrated marketing communications toolkit

This chapter focuses on social media as an emerging channel for communication. As seen in Figure 3 social media is placed under online marketing and other categories of online (digital) marketing that can be used in IMC include brand websites, email marketing, digital print, streaming video, and mobile apps. Each category has its own unique properties and functions, but they are seamlessly connected through the Internet (Juska, 2017).



Figure 3: Major categories of online marketing

Online marketing communication and specifically social media are examined in the following part.

3. Roots of Online Marketing Communications

Online marketing communications are an outcome of advances in digital technology, specifically Internet, the World Wide Web and interactive media (Sheehan, 2017). The

Internet is a network of connected data servers (Tuten & Solomon, 2018). The digital media transformation began with the Internet (Juska, 2017). The development of the Internet as a communication media has been through a number of stages. The most notable stages commonly occurred on the web platform (Sheehan, 2017).

Web 1.0 was a static communications medium that allowed people to download information and contact the company if necessary, mostly in a linear, one-way form (Sheehan, 2017). Simply, it was a network of connected information. Web 1.0 was the era of cognition, in which a network of data producers served information to primarily passive consumers (Tuten & Solomon, 2018). So, before Web 2.0, content on the websites was static, and there was no interaction with other Internet users (Borges, 2009).

The term web 2.0 was first used and described at the Web 2.0 Conference organized by O'Reilly Media in 2004 (Berthon, Pitt, Plangger & Shapiro, 2012). Although many controversies arose about this term after the conference, it was cited 9.5 million times in Google between 2004 and 2005 (O'Reilly, 2009).

In that conference, when everyone was criticizing the web after the failure of many online initiatives in 2001, web 2.0 was introduced as the next platform but not as a new version of the web. For Tim O'Reilly, web 2.0 is a kind of business revolution for the computer industry which occurred in the internet platform. For him, this new platform has new rules and the companies have to understand these new rules to succeed, survive and prosper. Referencing this rule, he argues that: "Web 2.0 is ultimately about harnessing network effects and the collective intelligence of users to build applications that literally get better the more people use them." (Shuen, 2008).

Later in 2005, in order to eliminate the ambiguity, Musser and O'Reilly (2006) developed the following definition: "Web 2.0 is a set of economic, social and technology trends that collectively form the basis for the next generation of the Internet, a more mature, distinctive medium characterized by user participation, openness, and network effects" (Constantinides, 2014).

With a strategic and marketing perspective, web 2.0 can be described as "a collection of interactive, open source and user-controlled Internet applications enhancing the experiences, collaboration, knowledge and market power of the users as participants in business and social processes." (Constantinides & Fountain, 2008; Constantinides, 2014).

In sum, and in comparison to the World Wide Web (www) or Web 1.0, it can be said that (Berthon et al, 2012):

- Web 2.0 is not an information retrieval platform; it is where consumers both create and consume information.
- Web 2.0 websites are interactive and have a richer context with a user-friendly interface where participation is encouraged and facilitated.

The third phase of the Web is called Web 3.0 or Semantic Web. The first person who defined Semantic Web was Tim Berners-Lee who is known as the inventor of the World Wide Web (www) (Aghaei, Nematbakhsh, & Farsani, 2012; Tuten & Solomon, 2002). He mentioned that (Sheehan, 2017):

“The Semantic Web is not a separate Web but an extension of the current one, in which information is given well-defined meaning, better enabling computers and people to work in cooperation”.

One of the important characteristics of Semantic Web is to make the web readable by both machines and humans (Aghaei et al., 2012). So, Web 3.0 is the phase that makes the collaboration of human and machines possible (Tuten & Solomon, 2018). Technologists also argue web 3.0 as a context where computers are using artificial intelligence to read and search through web pages in the same way that people do (Sheehan, 2017).

In many up-to-date sources web 1.0, web 2.0 and web 3.0 have common definitions but web 4.0 and beyond are defined as new paradigms which are expected to occur as a result of new technologic developments in machine to machine interaction, artificial intelligence, big data, nanotechnology, telecommunications, and the growing awareness of wireless networks, etc. (Almeida, 2017; Parvathi & Mariselvi, 2017)

As seen, the Web is continuously evolving (Almeida, 2017) but when analyzed it can be seen that with every update, such as web 3.0, 4.0, and so on, the web gains new capabilities (such as artificial intelligence and collective intelligence), and offers new opportunities (such as utilization of network effects or crowdsourcing) for marketers (Tuten & Solomon, 2018).

Specifically, the internet, and web 2.0 and beyond technologies has profoundly altered the marketing landscape by changing the way of communication and interaction between people and also with brands (Hudson, 2014; Sheehan, 2017). Web technologies also enabled social media and after all individual broadcasting characteristic of the Internet has changed and it transformed into a participatory platform which brings many users together to collaborate, create and share content (Királ'ová & Pavlíčeka, 2015; Leung, Law, Van Hoof, & Buhalis,

2013; Li & Wang, 2011; Thevenot, 2007). The following part explains social media and its relationship with the Web.

4. Web Platform and Social Media: The Same Concepts or Not?

Web 2.0 and its following updates and social media are the terms generally used interchangeably, however, they are discrete in concept (Berthon et al., 2012). With the evolution of web to web 2.0 and beyond technologies, they have allowed the infrastructure to enable the flowing of user-generated content like the consumer generated videos streamed in social media (Berthon et al., 2012). This means that, social media is built on the technological roots of Web 2.0, and Web 2.0 is supported by user-generated content by means of social media (Brake & Safko, 2009; Buhalis & Law, 2008; Hays, Page, & Buhalis, 2013). To better understand the concept, let's take a look at the definition of social media.

Social media, also referred to as “consumer-generated media”, is a current and constantly evolving phenomena, so defining social media is a difficult task (Constantinides, 2014). According to Brake and Safko (2009), “Social media refers to activities, practices, and behaviours among communities of people who gather online to share information, knowledge, and opinions using conversational media. Conversational media are Web-based applications that make it possible to create and easily transmit content in the form of words, pictures, videos, and audios.”

For Junco, Heiberger, and Loken (2011), “Social media are a collection of Internet websites, services and practices that support collaboration, communication, participation and sharing”. In another study, Bryer and Zavatarro (2011) define social media as new technologies through which social interaction and collaboration and also deep discussion take place among all the related parties (Marinakou, Giousmpasoglou, & Paliktzoglou, 2015). Companies, other institutions or individual people can be the sponsors of social media (Mangold & Faulds, 2009). The most referred to definition of social media by Kaplan and Haenlein (2010), defines it as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of user-generated content”.

In sum, as Tuten and Solomon (2018) suggested that although the terms of social media and web have been used as synonyms, they are discrete concepts and “just as the Internet is a foundation for the Web, the Web is the foundation for social media” (Tuten & Solomon, 2018) That is so, social media utilizes Web 2.0 technology to create and spread the content generated by companies and consumers (Constantinides, 2014)

4.1. How Do Social Media Differ from Traditional Media?

Social media connects people, enables interactive communication and also allows users to generate both their own content and collaborate with others in the generation of that content (Burrow & Fowler, 2016). With these specific characteristics, social media differs from traditional media. For instance, its “**interactivity**” characteristic make social media a direct method for the audience to start a conversation with the company or brand. The audience in social media is not only the receiver of the content but also part of that conversation as he/she can comment on the provided information, give feedback to the company and share it with other people, whereas traditional media is a direct method only for marketers to reach customers (Burrow & Fowler, 2016).

In traditional media, the promotional content is created by professional marketers and agencies; visual or video content are generally recorded in a studio or similar environment; written content is edited by brand managers. However, most of the social media content is created by the audiences, not by professionals (Burrow & Fowler, 2016). For example, the photos or videos that are posted on Instagram are not created by Instagram. A large number of users create and upload their own content on these kinds of platforms. That is why content on social media sites is often referred to as “**user-generated content**” (Burrow & Fowler, 2016).

Social media provides a 24-hour “**uninterrupted immediate access environment**” which allows companies to react to customer queries immediately (Kitchen, 2016; Valos, Maplestone, Polonsky, & Ewing, 2017), whereas, in a traditional communication environment, companies generally react only during operating hours (e.g. between 09.00-17.00) (Rosman & Stuhura, 2013; Trusov, Bucklin, & Pauwels, 2009; Valos et al., 2017).

4.2. From Marketers’ Perspective: What are the Challenges that Marketers Face with the Incoming of Social Media?

Social media can be interpreted as a kind of double-edged sword for marketers (Singh, Veron-Jackson, & Cullinane, 2008). Its distinct features (discussed above) both exhilarate and challenge marketing professionals all around the world (Bianchi & Andrews, 2015; Dibb & Simkin, 1993; Valos et al., 2017). Below are the challenges that marketers face with the incoming of social media:

- Social media has significantly changed the tools and strategies of marketing communications because not only companies can use social media for communication purposes but also customers are able to use it to communicate with companies and

with other customers, which is called “**word of mouth communication (WOM)**”. In his book, Gillin (2007) emphasized that “Conventional marketing wisdom has long held that a dissatisfied customer tells ten people. But that is out of date. In the new age of social media, he or she has the tools to tell 10 million”. That may sound scary to companies but there also lies an opportunity for them if they can find out the ways of exploiting this power in the interest of the company (Mangold & Faulds, 2009).

- Consumers’ ability to communicate between each other (interactivity) limits companies to control the content, frequency and dissemination of information (Mangold & Faulds, 2009). The interactivity characteristic of social media challenges “**brand consistency**” within a social media environment where communication messages of the brand can be altered by consumers without the supervision of the brand managers (Kaplan & Haenlein, 2010; Valos, Haji Habibi, Casidy, Driesener, & Maplestone, 2016; Valos et al., 2017). Nevertheless, it is possible for companies to influence the conversations between consumers.
- With the incoming of social media, most of the power is shifted from companies to customers (Berthon et al., 2012; Pitt et al., 2002; Tiago & Verissimo, 2014). The trustworthiness of social media as an information source regarding products and services is perceived to be higher than company-sponsored information communicated through the sales promotion, personal selling, advertising and public relations (Foux, 2006; Mangold & Faulds, 2009). Companies may develop platforms such as adding blogs in their shopping site, and encourage customers to share their positive experiences with the brand in question. By the way, they can have a chance to manage the dialogue between consumers.
- The immediacy characteristic of social media (‘24/7’ access) creates “**the agility**” challenge for companies. For the effective use of social media, many departments of a company should collaborate and behave in coordination to some extent (Montalvo, 2016; Valos et al., 2017). Unfortunately, most businesses have rigid and bureaucratic legal approval processes so interdepartmental coordination takes a long time. In order to be responsive in their social media communication, companies need to find ways to avoid bureaucracy and to coordinate quickly (A. Tyagi & Tyagi, 2012; Valos et al., 2017).

Till this part, the definition of social media, its differences from traditional media and the challenges it has created for marketers were examined. Now it is time to look at the tools of social media.

5. An Emerging Concept: Social Media Mix

The notion of a “Social media mix” was first offered by Weinberg and Pehlivan (2011). They reported that there exist diverse types of social media (such as, micro-blogs, communities, social networks, etc.), and as a new reality, marketers need to decide how to allocate company resources, effort and budget to these social media types like in the traditional promotion mix (advertising, personal selling, sales promotions and public relations) decisions (Weinberg & Pehlivan, 2011). In the literature, there are many but coherent views regarding the types of social media, hereinafter referred to as the social media mix, but amongst them, Kaplan and Haenlein (2014), provide the most detailed explanations and examples of social media mix elements in their various studies (Kaplan & Haenlein, 2009a; Kaplan & Haenlein, 2010; Kaplan & Haenlein, 2011; Kaplan & Haenlein 2014). According to one of their latest studies (Kaplan & Haenlein, 2014), the social media mix includes:

- Social networking sites (e.g. Instagram)
- Blogs and micro-blogs (e.g. Twitter)
- Content communities (e.g. YouTube, Vimeo)
- Collaborative projects (e.g. Wikitravel)
- Virtual game worlds (e.g. Fortnite) and virtual social worlds (e.g. The Sims).

Brief explanations of social media mix elements, their different rules of utilization and functionality, and how people process and use them are discussed below. Note, however, that the practical applications of social media mix elements can be categorized under multiple social media platforms at the same time. For example, twitter is both a social networking and a microblogging platform.

5.1. Social Networking Sites

Social network sites (SNS) are web-based applications that allow individuals:

- to construct personal profiles that other users access with the aim of exchanging personal information, contents and messages (Constandinites, 2014). The personal profile of the user can include any type of information, including photos, video, audio files, and blogs (Kaplan & Haenlein, 2010).
- to list other users with whom they have a connection
- to see other users’ profiles, connections and shared contents (Boyd & Ellison, 2007).

Well-known examples of SNS are Facebook, Myspace, Google+, Instagram and LinkedIn

(Aichner & Jacob, 2015; Constandinites, 2014; Pride & Ferrell, 2016). These SNS allow users to connect and share with people who have similar interests and backgrounds (Dippelreiter, Grün, Pöttler, Seidel, & Berger, 2008; Huang, Basu, & Hsu, 2010; Leung et al., 2013; Nadda, Dadwal, Mulindwa, & Vieira, 2015).

Anyone joining a social network is asked to answer a list of questions such as age, gender, location, interests etc. This information is used to generate the profile of the user. Most of the SNSs encourage users to upload a profile photo, add multimedia content and applications, and customize their profile's look and feel in order to enhance their profile (Boyd & Ellison, 2007). Users are also requested to recognize other users in the system with whom they have a relationship. The public display of connections under the label of friends, contacts, etc. is a crucial component of SNSs (Boyd & Ellison, 2007). Almost in all social networks, it is possible to leave messages or comments on other contacts' profiles. In addition, SNSs often have an instant messaging feature similar to a short messaging service (SMS).

5.2. Blogs

The term blog originates from the fusion of the terms “web” and “log”. A blog is a website where ongoing articles or stories are produced by an individual or a group of users. Thus, on blogs, users write on any subject, and these articles can be sorted according to the entry date (Singh et al., 2008). Blogs can also be described as “the social media equivalent of personal web pages and can come in a multitude of different variations, from personal diaries describing the author's life to summaries of all relevant information in one specific content area” (Kaplan & Haenlein, 2010; Lange-Faria & Elliot, 2012).

A blog is also defined as a web-based journal that allows writers to editorialize and interact with other users by adding comments (Kaplan & Haenlein, 2010; Pride & Ferrell, 2016).

Blogs provide primarily text information but some blogs are formed to publish audio logs called Podcasts or video logs called Videocasts, in which users can download the video or audio to tablets, computers, smart phones or other portable devices (Constandinites, 2014).

According to Marken (2005), a collective conversation continuously takes place on blogs with the help of some common elements of blogs such as comments, categories, trackbacks and permalinks. In the comments part, readers add their own thinkings, ideas, critics and likes or dislikes about the entry. Trackbacks direct users to other blogs in which the same entry is being discussed. Permalinks are permanent URLs that are attached to posts which other people use to refer or send a link (Singh et al., 2008).

Blogs are mostly interactive platforms and, as so, readers post comments (Cobanoglu, 2006; Ellion, 2007; Kelleher & Miller, 2006; Pan, MacLaurin, & Crotts, 2007; Reactive, 2007). The activities of all blogs and bloggers (only on tumblr.com, there are 463.5 million active blog accounts in April 2019) are known as the “blogosphere” (Carson 2008; Akehurst, 2009; Clement, 2019).

Some blogs attract millions of readers per day and have become very influential information sources. Examples of top blogs are businessinsider.com, engadget.com, wired.com, techcrunch.com, gizmodo.com, boingboing.net, and huffingtonpost.com, (eBizMba, 2019; Detailed, 2019; Constandinites, 2014; Aichner & Jacob, 2015).

The vast majority of bloggers are individuals who keep logs, share personal experiences and insights related to many issues like politics and fashion trends. Posted comments let bloggers interact with each other (Singh et al., 2008; Sotiriadis & van Zyl, 2013).

Corporations, such as, Microsoft, Honda, and Southwest Airlines also use blogs as a communication platform in order to touch their customers and all their stakeholders (Singh et al., 2008). Corporate blogs are business to consumer (B2C) in nature, and have the purpose of communicating companies’ offerings and fostering relationships with customers, and their content is created in-house or by professional bloggers (Schmallegger & Carson, 2008; Volo, 2012).

5.3. Micro-Blogs

Micro-blogs are somewhat of a mix of the traditional blogs and social networking sites (Kaplan & Haenlein, 2010). Therefore, microblogging is a form of blogging but its content is limited to a specific number of characters. Micro-blogs are built upon exchanging short messages that are mostly real-time status updates. Messages shared on micro-blogs are transient in nature, and there is no need to respond them. Besides short sentences, users can also share or exchange individual images or video links. Today, micro-blogs are very much used as a source of news and a citizen journalism platform (Kaplan & Haenlein, 2011). Through microblogging, a wide range of news from celebrity gossip to world events reach interested groups quickly. In some microblogging sites, users can change the privacy settings to control who can read their posts. Some of the micro-blogging platforms, in addition to web-based interface, provide alternative ways like text messaging, instant messaging, e-mail or digital audio for publishing entries (Kaplan & Haenlein, 2011; Nadda et al., 2015).

One of the well-known examples of microblogging is Twitter (M. Barker, Barker, & Bormann, 2017). On Twitter, microbloggers can post six different types of tweets, such as classic tweets like “what I’m doing right now”; Opinion tweets like “What I’m Thinking Now”; Mission accomplished tweets like “This is What I’ve Just Done.”; Entertainment tweets like “I’m Making You Laugh Now.”; Question tweets like “Can You Help Me Do Something Now?” and Picture tweets like “Look at What I’ve Been Doing.”(M. Barker et al., 2017) Microblogging platforms like Twitter provide an ability to generate a live stream of immediate opinion among a huge group of people (M. Barker et al., 2017).

Other popular micro-blogging sites are Tumbler, FriendFeed, Taiwanese Plurk (particularly used in Southeast Asia) and the Finnish Jaiku (Kaplan & Haenlein, 2011; Aichner & Jacob, 2015).

5.4. Content Communities/Media Sharing Sites

Content communities are a kind of social media sites that create communities around a wide range of different media content like videos, photos, music, text, podcasts (a video or audio file that automatically delivers new content to listening devices or personal computers when downloaded from the Internet. Users of a podcast listen or view the podcast content whenever or wherever they want) and presentations to share content between users. Content communities do not generally require users to create a personal profile, but if necessary, users only provide information about when they joined the community and how many videos they uploaded (Kaplan & Haenlein, 2010).

Very well-known video sharing sites are Youtube and Vimeo (Kaplan & Haenlein, 2010; Aichner & Jacob, 2015). Photobucket and Flickr are popular photo sharing sites (Aichner & Jacob, 2015). Spotify and Pandora are examples of music sharing communities. BookCrossing is a kind of text-based content community via which people from over 130 countries share books (Kaplan & Haenlein, 2010). A well known example for presentation sharing is slideshare.com (Burrow & Fowler, 2016; Constandinities, 2014; Constantinides & Fountain, 2008; Kaplan & Haenlein, 2010).

5.5. Collaborative Projects

Kaplan and Haenlein (2014) define collaborative projects as “social media applications that enable the joint and simultaneous creation of knowledge-related content by many end-users”. They mention that collaborative projects are started to replace printed books and have become a new instrument to transmit knowledge and truth (Kaplan & Haenlein, 2014). By

the collective nature of collaborative projects, all users are equal in posting, adding or changing the content, thus, they are interpreted as the fairest social media platform (Kaplan & Haenlein, 2014). In collaborative projects, people who cluster around common interests and/or have certain knowledge come together on the internet for a project of any kind such as technologic, academic, scientific or entertaining. The outcome of these projects is shared with the public without any fee, thus, these sites are open source (Aichner & Jacob, 2015).

Collaborative projects are grouped into four types (Kaplan & Haenlein, 2014): Wikis, social bookmarking sites, online forums (message boards) and review sites.

5.5.1. Wikis

Wikis are platforms where users add, delete, or revise the content of the web-page simply by using a web browser instead of a more complicated HTML editor. This means that the users of these websites not only visit and read the content, but they can edit, reorganize and update the content as it fits (Augar, Raitman, & Zhou, 2004). Wikipedia, as a publicly edited encyclopedia, is the best known example of wikis. Wikitravel and Wikibooks are also other examples of the category (Sigala, 2007).

5.5.2. Social Bookmarking

Social bookmarking, also known as tagging, is a kind of platform that saves and organise internet bookmarks at a centralised platform in order to reuse it in the future and also to share with friends and other users (Aichner & Jacob, 2015; Yanbe, Jatowt, Nakamura, & Tanaka, 2007b). Social bookmarks are useful for recognizing popular websites and other web content (Aichner & Jacob, 2015) Del.icio.us is the earliest social bookmarking site which was launched in 2003 (Kaplan & Haenlein, 2014). The user can save its favourite websites on this web service, tag those websites with some meaning based on categories. At the same time, other users can use these categories of favorites and tags for identifying appropriate websites (Sigala, 2007). Social bookmarking is different from static bookmarks that users marked on their personal Web browsers for convenience, but social bookmarks are interactive. For instance, users are notified by del.icio.us regarding popular pages which recently gained many bookmarks. Also, it is possible for users to get an “Inbox” in order to obtain a bookmark activity report. This gives the opportunity to some pages which get much attention to become known to a lot of users (Yanbe, Jatowt, Nakamura, & Tanaka, 2007a; Yanbe et al., 2007b). Pinterest is another example of social bookmarking (Aichner & Jacob, 2015).

5.5.3. Online Forums

An online forum is a platform to discuss with others on specific topics and around special interests through asking or answering questions and exchanging ideas, experiences, comments or knowledge. Online forums are also called message boards. Conversations on online forums are held in the form of posted messages. As a result, unlike a chat conversation, communication does not happen in real time but is usually visible to the public (Aichner & Jacob, 2015; Bickart & Schindler, 2001; Constandinites, 2014). Content posted by users is not allowed to be edited by other users. Only the forum administrators or moderators have the editing right. Users discuss the posted content within their own postings (Kaplan & Haenlein, 2014). For a forum to count as a collaborative project, there must be a joint creation of knowledge (Kaplan & Haenlein, 2014).

5.5.4. Review Sites

A review site is a kind of website in which users share feedback reciprocally about anything that comes to mind, but mostly in regards to brands, services, products and companies (Kaplan & Haenlein, 2014). For instance, customers can provide overall reviews about a product or certain attributes like product functionality, or only read the reviews (Aichner & Jacob, 2015). Some of the review sites use a kind of reputation system which computes reliability scores according to the ratings that users give when reviewing (Kaplan & Haenlein, 2014). TripAdvisor and Epinions.com are the well-known examples of this type of collaborative projects (Kaplan & Haenlein, 2014). Also, reviewcenter.com and consumersearch.com are online forums which help consumers to compare products or services before buying (Constantinides & Fountain, 2008; Hennig-Thurau et al., 2010).

5.6. Virtual Worlds

Virtual worlds, as another part of social media, are a kind of simulation of the real world. Users of virtual worlds are represented by avatars and live like they do in real life (Bell, 2008; Girvan, 2018; Kaplan & Haenlein, 2010). In virtual worlds, residents often use virtual currencies like a real money and so residents buy, and companies sell virtual or real products (Aichner & Jacob, 2015).

There are various virtual social worlds that target a distinct set of people (Atli & Can, 2015; Papp, 2010). Examples of virtual worlds for adults include The Sims Online, World of Warcraft, and Second Life. Virtual worlds targeting children include Whyville, Habbo Hotel and Second Life for Teens (Atli & Can, 2015).

Kaplan and Haenlein (2010) categorize virtual worlds in two types: Virtual game worlds and virtual social worlds. Representing the self with an avatar and interacting in a simulated virtual context are the common characteristics of both virtual game worlds and virtual social worlds. Flow of time and seasons on virtual worlds occur like the earth is turning around itself and the sun because although the user is not logged in, time still goes on (Aichner & Jacob, 2015). This characteristic differentiates virtual worlds from computer games.

5.6.1. Virtual Game Worlds

Virtual game worlds have strict rules for their users because virtual games take place on a massively multiplayer online role-playing game (MMORPG) context (Kaplan & Haenlein, 2010). World of Warcraft, Fortnite and EverQuest by Sony are the popular examples of virtual game worlds (Kaplan & Haenlein, 2010). Although users are acting sometimes as a warrior, a wizard or a dragon on these games, their avatar tends to behave like their real life personality as they spend more time with these applications (Kaplan & Haenlein, 2010).

5.6.2. Virtual Social Worlds

Virtual social worlds do not restrict the behaviors and interactions of users as much as virtual game worlds do. Fundamentally, residents of the virtual social world live a life which is highly analog to their real life (Kaplan & Haenlein, 2010).

It has been shown that residents behave like they are in a real-life setting, as they spend much time on these platforms (Haenlein & Kaplan, 2009; Kaplan & Haenlein, 2009b; Kaplan & Haenlein, 2009c). Maybe the most favourite application of virtual social worlds is the Second Life. Almost all real-life behaviors, like chatting with other users, jogging in the sunrise is possible, and users can also create content, like building a house and selling it, and earn money called Linden Dollars (Kaplan & Haenlein, 2010).

6. Social Media for Business Users

All social media platforms are available for both individual and business users. Each social media platform has a “business” version, in which the publisher is a company or a brand. Today, it is inevitable for companies to include social media in their integrated marketing communications plan. Companies build company pages on various social media platforms for engaging with customers, advertising, selling, promotion, public relations and publicity, online reputation management, customer support, complaint management, etc.

As mentioned earlier (titles from 5.1 to 5.6), the social media mix consists of social networking sites, micro blogs, content communities, and so on. Each type of social media has

best known examples in practice. For example, Facebook, Instagram and LinkedIn are the most popular social networking sites; Twitter is the most popular micro-blogging site; Youtube is the most-known content community; Pinterest is the most popular social-bookmarking site. There are thousands of social media platforms and the abovementioned examples are the most influential industry leaders (Juska, 2018). Emphasis on tactics about how to use these best-known and most influential social media platforms for commercial purposes is expected to guide companies in their efforts to integrate social media with other elements of the marketing communication mix. Below are the business tactics for popular social media platforms.

6.1. Facebook for Business Users

Among others Facebook is the most crowded social media platform. Nowadays, it attracts older audiences more than younger users. For companies, Facebook (a social networking site) is especially useful for interacting with final consumers, creating an official company page on Facebook and Facebook ads help company to achieve the goals of (Juska, 2018; M. Barker et al., 2017):

- building brand presence
- creating and increasing brand awareness
- creating emotional bonds with followers
- encouraging discovery
- generating leads
- boosting sales
- earning loyalty

A company page on Facebook should:

- be customized in accordance with company's values and style
- be updated frequently (maximum three updates per day)
- create a light, funny, and informative content that encourage followers to share with other users

Through the Facebook page, a company can offer a special deals and discounts, give free products, share useful tips, ask questions and run contests. All these attempts help the company in convincing people to follow the company's Facebook page, to increase the

number of “likes”, and through “likes” the company page can spread to a larger audience in the Facebook friends network.

Since Facebook is especially for personal connections, a company page should have a personality and act as a human being to engage with users and create an emotional connection; this engagement will help build brand loyalty (M. Barker et al., 2017).

Companies can also use Facebook ads to generate and increase the traffic to the company website. Facebook is very sophisticated and savvy in reaching highly diversified audiences. Through the Facebook ad tool, it is possible to specify the target race, gender, interests, and location. For Facebook advertisements, companies should select their goal(s), decide the format of the ad (photos, video, or slideshow, and mixture of images and videos), select the target audience, and determine the daily and total budget to pay for the advertisement (M. Barker et al., 2017) For more information, please visit: <https://facebook.com/business>

6.2. Instagram for Business Users

Instagram, a platform where people share their instant situations through photographs, is another popular social networking site. Recently, it is also seen as a suitable medium for social shopping. Instagram is a continuously growing social network with young and active audiences. In 2012, founder Kevin Systrom sold Instagram to Facebook for \$ 1 billion, so the procedures for advertising on Instagram are similar to Facebook. For more information, please visit: <https://business.instagram.com>

6.3. Twitter for Business Users

Twitter is a micro-blogging site that reaches a huge number of people instantly, with brief but focused messages. Twitter has highly frequent users. On Twitter, anyone can tweet about anything, and this characteristic makes it popular. Companies can create a Twitter account for the company itself and/or for their products, services and brands. A company profile page on Twitter should have a customized background. A short but concise company description should be provided along with a profile picture that represents the company. On the background URL's for company websites, blogs and other social media profiles can be added. A company Twitter account should respond questions, complaints and comments promptly. Twitter can be used to (Juska, 2018; M. Barker et al., 2017):

- search for and follow target audiences
- increase brand awareness

- connect with customers
- provide support
- distribute information
- identify influential people and those who have common interests in order to create potentially valuable relationships
- gain feedback and engage the followers by asking opinions or product reviews
- offer special deals like coupons, promotional discounts, special products, and free shipping

Providing useful, creative, interesting and valuable information on the company Twitter account is essential for building reputation. Updating the company Twitter account, especially midday and midweek, is supposed to make more impact on the audiences. Companies are advised to tweet about issues that are of interest to their target audiences and to use hashtags (#), and also to use link-shortening services (eg. bit.ly) to track real-time interest in posts (M. Barker et al., 2017).

Through the Twitter ad tool, it is possible to specify target geography, gender, interests up to 350 different subcategories, keywords, followers, mobile devices, loyalty, behavioral responses such as shopping patterns, lifestyle, and key attributes (Juska, 2018). For more information, please visit: <https://business.twitter.com/>

6.4. Pinterest for Business Users

Pinterest is a social bookmarking platform that people prefer to find new ideas, to learn more about brands and products. Pinterest also has a “Pinterest for Business” option. Pinterest for Business invites companies to join the platform and promote through pictures and videos. For more information, please visit: <https://business.pinterest.com/en-gb/promote-on-pinterest>

The composition of Pinterest mostly consists of females who have strong passion for certain product categories. That means that companies can use Pinterest especially for targeting women (Juska, 2018).

Companies can use Pinterest to:

- build awareness
- run ads
- get more traffic
- generate more sales both online and offline

People on Pinterest browse their feeds for inspiration, search for topics they are interested in and click on Pins to learn more. In fact, 83% of weekly Pinners have made a purchase based on Pins they saw from brands (GFK, 2018).

6.5. YouTube for Business Users

YouTube is the largest video content community and is owned by Google. Its reach is vast and continuously growing. YouTube is especially useful for engaging consumers to drive word-of-mouth recommendations (M. Barker et al., 2017). Companies can upload videos, start a video channel and advertise on YouTube. Creativity, appropriate keywords and tagging, informative and entertaining content are essential issues to work on when publishing a video on YouTube for both individual and business users. It offers advertising options for business users. If explained shortly, it has audience, content, topic, keywords and device targeting options. Audience targeting lets business users define the audiences they want to reach based on their specific interests, intents, and demographics, as estimated by Google. Content targeting methods let business users define where they want ads to show, such as on YouTube channels, YouTube videos, Websites on the Google Display Network and Apps on the Google Display Network. Topics targeting lets business users reach a broad range of videos, channels, and websites related to the topics they selected. For instance, if a business user targets the “Automotive” topic, then the ad will be shown to people watching videos about cars on YouTube. For more information, please visit: www.youtube.com/yt/advertise

7. Role of Social media in Consumer Decision-Making

At this point, it is necessary to express that consumers’ utilization of these tools in decision-making processes has also increased as the companies’ social media practices have intensified.

Engel, Kollatt and Blackwell (1973) define the process of consumer decision-making with five stages: need recognition, search, evaluation, purchase, and post-purchase. In the first stage, consumers become aware of their needs for certain products, then, they search for information in order to make conscious choices. In the third stage, consumers evaluate the alternative offerings to arrive at the best decision, and in the purchase stage, the transaction is fulfilled. After all, in the post-purchase stage, consumers engage in some post-purchase activities, such as word of mouth communication (Zhang & Benyoucef, 2016).

It is possible to come across many empirical studies examining the role of social media in various decision-making processes. For instance, some studies focus on the pre-purchase and

purchase behaviors ((Bilgihan, Peng, & Kandampully, 2014; Bronner & Hoog, 2014; Chu & Choi, 2011; Hajli, 2015; H. Kim, Kim, & Huang, 2014; Li, 2014; Wang & Chang, 2013; Wang, Yu, & Wei, 2012). These studies refer to social networking sites as tools that stimulate consumers to purchase.

Some other studies examine the role of social media especially for the purchase and post-purchase stages of consumer decision-making, such as electronic word of mouth intention, buying intention and brand loyalty (Anderson, Knight, Pookulangara, & Josiam, 2014; Chan, Zheng, Cheung, M.K. Lee, & Lee, 2014; De Vries, Gensler, & Leeflang, 2012; Gamboa & Gonçalves, 2014; Laroche, Habibi, & Richard, 2013; Lee, H.S. Kim, & Kim, 2012; Mikalef, Giannakos, & Pateli, 2013; Zheng, Cheung, Lee, & Liang, 2015). These studies refer to social networking sites as helpful tools after the purchase, especially for branding strategies (Edleman, 2010).

The Marketing Practice Box 1 exemplifies the use of social media at the pre-purchase, during and post-purchase processes of tourists based on the findings of many studies in the field of tourism marketing.

Consumer Decision-Making in Tourism

Outcomes of the developments in Internet can be summarized as rearrangement of online tourism information search and tourism related information distribution while enriching the context of information (Ho, Lin, & Chen, 2012). Wide extent of social media applications has emerged that assist the spread and easy access of tourism information. Currently, social media is the most frequently used source for searching tourism information. (Xiang & Gretzel, 2010). Typically, tourists use social media in three phases: Before, during and after the trip (Amaro, Duarte, & Henriques, 2016). The motivation behind posting reviews, discussing positive and negative aspects and making recommendations during the travel planning process and after holidays on social media is to both socialize and provide information for other travelers (Roque & Raposo, 2016; Thevenot, 2007; Xiang & Gretzel, 2010).

However, it was found that social media are mainly utilized before the trip (Amaro et al., 2016; Cox, Burgess, Sellitto, & Buultjens, 2009). Alike the buying process of other products and services, tourists search for information in their buying decisions related to tourism products and services, like hotels, airlines, regions, car rentals etc. (Amaro et al., 2016). In addition, tourism offerings generally require an intensive information processing before arriving a decision in comparison to other buying decisions (Huang, Chou, & Lin, 2010) since to consume tourism products, tourists have to leave their routine environment and move to a different location (Werthner & Ricci, 2004.) So, all that issues make tourism decisions to be perceived highly risky. In addition, touristic visits, hotels, airlines can not be tried before purchasing so it becomes really difficult to evaluate the worth of the available options without experiencing them (L.H. Kim, Qu, & Kim, 2009). In this context, information search decreases

uncertainty associated with tourism offerings and helps to enhance the quality of tourists' experience (Fodness & Murray, 1997). Besides, visitor stories and comments on destinations provide valuable information concerning the emotional bonds visitors have with the destination for marketers. Understanding the needs and feelings of visitors can contribute to create a brand promise and help to build positioning strategy of a tourism product (Woodside, Cruickshank, & Dehuang, 2007).

Before visit, tourists in general search for ideas on where to go, information on accommodation options, excursions and other leisure activities (Amaro et al., 2016; Cox et al., 2009; Fotis, Buhalis, & Rossides, 2012). During travel planning process people collect information from many sources and read the experiences of other travellers on blogs or other platforms. At the end of this process they make their own decisions or they change their decisions (Roque & Raposo, 2016). Tourists tend to rely on others' experiences for their decision-making, due to the experiential nature of tourism products (Litvin, Goldsmith, & Pan, 2008; Zeng & Gerritsen, 2014). That's why shared information on social media sites is recognized as an important information source in helping tourists' travel planning or even eventually influencing potential travellers' travel decision-making.

During the trip, social media is generally used for both finding touristic information and for sharing travel experiences through adding comments, reviews, videos and photos (Amaro et al., 2016).

After visit, tourists utilize social media to post comments, reviews, photos or videos regarding to their visit (Fotis et al., 2012; Parra-López, Gutiérrez-Taño, Diaz-Armas, & Bulchand-Gidumal, 2012). However, in general, content production is lesser than content consumption (Fotis et al., 2012).

In sum, most of the travellers use social media to explore, organize, share and explain their travel stories and experiences through blogs and microblogs (e.g., Blogger and Twitter), online communities or social networking sites (e.g., Facebook and TripAdvisor), media sharing sites (e.g., Flickr and YouTube), social bookmarking sites (e.g., Delicious), social knowledge sharing sites (e.g., Wikitravel), and other tools in a collaborative way. Thus, it will no longer be realistic for tourism marketing practitioners to rely only on the traditional tools in their marketing communications (Leung et al., 2013).

Marketing Practice Box 1: An Overview of Social Media Use Before, During and After a Touristic Trip

8. To Change or Not to Change: Media Planning Approach

One of the important decision areas of marketing communication is media planning. Media planners generally follow the hierarchy of effects framework and focus on the estimated number of people to be reached and frequency of access (Schultz, Block, & Viswanathan, 2018). Based on the hierarchy of effects, it is assumed that as the number of consumers' media exposure increases also does the probability of purchase (Schultz et al., 2018).

Many hierarchies of effects' models were developed between 1898 and 1984 (for the chronological list, please visit Wijaya (2012), and for the historical perspective, please visit Barry (1987). One of the initial attempts to model the hierarchy of effects was the AIDA (Attention, Interest, Desire, Action) model (Strong, 1925). This model explains how marketing communication works within a basic framework (Ghirvu, 2013).

A more enhanced model with six steps (awareness, knowledge, liking, preference, conviction and purchase) was proposed in 1961 by Lavidge and Steiner (1961). Lavidge and Steiner's (1961) model suggests that consumers respond to communication messages at first cognitively (think), then affectively (feel) and finally conatively (act) (Wijaya, 2012). According to these researchers, in order to construct convincing advertising messages, preemptively consumer's decision-making process should be understood (Mabry, 2010). For the details of the model, readers are advised to visit the study of Lavidge and Steiner (1961).

The hierarchy of effects model has been influencing both marketing communication literature and media planning practices since its introduction (Mabry, 2010). However, it is questionable to follow the same approach in today's world, where consumers live in a vastly different environment than when the hierarchy of effects model originated. As mentioned previously, advances in information communication technology and the Internet have both amplified the media availability and changed the consumers' media consumption habits and buying processes. In fact, in 2018, Schultz, Block and Viswanathan published an exploratory conceptual study. This study criticizes media optimization models, which care only about the estimated reach and frequency based on the hierarchy of effects models, where consumers move through a purchasing journey driven by assumed media exposures. They offered a "consumer-generated media consumption (not marketer message distribution) model" with a focus on media influence rather than simply exposures. Researchers argue that, although not practically tested, this new model will better help marketers and advertisers in media planning decisions. Readers are advised to visit the study of Schultz et al. (2018) in order to better understand the base of their arguments related to "consumer-driven media planning".

9. Success that Comes with Social Media

In comparison to long-established platforms such as television, radio, newspaper, social media provides companies novel, low-cost and at the same time highly interactive advertising, publicity, and even transaction channels (Alalwan, Rana, Dwivedi, & Algharabat, 2017; Leeflang, Verhoef, Dahlström, & Freundt, 2014). Furthermore, social

media delivers needed and customized information, and gathers customer feedback quickly, efficiently and accurately (Alalwan et al., 2017). Thus, all elements of the social media mix are considered as promising tools for marketers to effectively target potential and existing customers (Alalwan et al., 2017). It has been mentioned that social media platforms increase the impact and diffusion of word-of-mouth communication in comparison to traditional media (Alalwan et al., 2017; Casalo, Flavián, & Guinalíu, 2010; Coulter & Roggeveen, 2012). In addition, social media are also considered to play an important role in customer experience and customer relationship management (Coulter & Roggeveen, 2012). When companies increase the rate of content posting and sharing with customers over the social media platforms, it was found that the level of interactivity and association with their customers also increases (e.g. Eagleman, 2013; Hambrick, 2012; McCarthy, Rowley, Ashworth, & Pioch, 2014; Pronschinske, Groza, & Walker, 2012; Sanderson & Hambrick, 2012). Moreover, according to Filo, Lock, and Karg (2015), the effective use of social media increases attachment towards related brands (Alalwan et al., 2017). Studies investigating the use of advertising in social media (Knoll, 2016) report that companies utilize social networking sites to develop relationships with consumers (Parsons, 2013); Youtube channels of nonprofit organizations are mostly used to inform and educate target groups (Waters & Jones, 2011); Facebook pages of health organizations are generally used to manage company image and for promotion purposes (Park, Rodgers, & Stemmler, 2011). As seen, marketers can utilize elements of the social media mix to achieve various marketing objectives. Examples of how some companies use social media in practice and their achievements are given in the following part.

9.1. Social Networking Sites: Excellent for Customised Communications, Incentive Offerings and Listening Customers

Social networking sites provide companies a new channel for customised communications, incentive offerings and listening customers (Nadda et al., 2015; Treadaway & Smith, 2012). For instance, an online florist in the U.S. (1-800-Flowers.com) has a “Gimme Love” button on Facebook, and through this button, followers of the florist can send “virtual bouquets” to loved ones and also it directs the users to the florist’s web page to send actual flowers (Kaplan & Haenlein, 2010).

Companies have realized the potential of social networking sites to reach and deepen relationships with the ‘subscribed’ users (Jhih-Syuan & Pena, 2011). This specialty of social networking sites makes them a competitive platform for sharing information about products and services (Saxena & Khanna, 2013). As an example, the comedy film “Fred Claus” was

promoted through Facebook. A Facebook account was created for the film. Followers of the Facebook account and other Facebook users can watch a fragment and “behind the scenes” videos, see the backstage images, read the information about the cast and download graphics (Kaplan & Haenlein, 2010).

For another example, check the “marketing practice box 2” below to see how L’Oréal Paris utilized the social networking site Instagram to succeed with its new product.

At 2018, L’Oréal Paris, a global cosmetics and beauty brand, started a campaign on Instagram to increase awareness and boost sales for its new Sugar Scrubs products in Turkey. The campaign targeted mobile devices. They utilized mobile video ads and three variants of the product were shown simultaneously with the text message conveying that “the Sugar Scrubs series is gentle and results in baby-soft skin.”

In two months between March and May, 2018, campaign resulted with:

- 13-point increase in ad recall
- 7-point increase in brand awareness
- 3-point increase in message association with the hashtag #BEBEKSİPÜRÜZSÜZLÜK (#BABY-SOFT SKIN)
- 3 times increase in Sugar Scrub sales, compared to February 2018
- 3 times increase in market size of Sugar Scrub sales, compared to February 2018

(Source: <https://business.instagram.com/success/loreal-turkey/>)

Marketing Practice Box 2: How *L’Oréal Paris* Succeeded with Instagram in its New Product Launch

9.2. Blogs: The Way of Connecting Companies and Customers

Blogs are marketing tools, listening devices and an effective way to interact directly with customers one-to-one on a global scale (Colton, 2018; Leung et al., 2013; Wright, 2006). Ellison (2007) suggests that company blogs or business-to-customer blogs create a more dynamic and reliable content and facilitate the ongoing contact with customers. Blogs serve a variety of functions (Leung et al., 2013) such as connecting companies and customers, developing a brand voice, and instilling trust with customers.

Product related problems or failures and also corporate bad practices were generally reported on blogs and communities at first. If a company that is tracking blog or content communities faces reputation damaging arguments on these sites, it can address the complaints with a relatively low budget before the reputation damaging content becomes a headline on mainstream media (Constandinites, 2014; Gillin, 2007, 2009).

Blogs are also used by companies to update customers, shareholders and employees in regards to important developments occurring in the company such as its products, services and applications, etc. The blog of the former CEO of Sun Microsystems was a good example of a company blog. It was reported that the aim of the blog was to improve the transparency of the company (ET Bureau, 2011).

Corporate blogs can also be used to distribute information about new products, demonstrate expertise, offer commentary, announce events and other corporate happenings, engage customers and also to influence consumers' attitudes toward products and brands (Colton, 2018). Many researchers also note that blogs contribute to improve search engine rankings, increase traffic to a company website, and subsequently online sales (Leung et al., 2013; Schmollgruber, 2007; Wyld, 2008). The number of companies joining to blogosphere is increasing (Colton, 2018). For instance, Toyota enhances engagement by obtaining feedbacks about various types of topics through its "Open Road Blog" (Open Road Toyota, 2019). In this blog, not only customers but also other blog writers, automobile enthusiasts, journalists as well as competitors are free to criticise, praise and comment on various issues. Marriott on the Move (2019) is another good example of corporate CEO blogs (Mangold & Faulds, 2009). It was launched in January 2007 (Leung et al., 2013). Bill Marriott (Chairman of the Board Marriott International, Inc.) is the owner of the blog, and he posts messages, photos and videos that are related with Marriott Hotels.

9.3. Micro-blogs: Useful at every Stage of Marketing Process

Micro-blogs like Twitter can generate value for companies in the prepurchase stage of the marketing process as a marketing research tool; in the purchase stage as a marketing communications tool and in the post-purchase stage, they may help companies in the effective management of their customer services and complaint management processes (Kaplan & Haenlein, 2011a).

Micro-blogs provide an opportunity for listening to customers in order to understand their needs, experiences and also track competitors and trends (Constandinites, 2014; Kaplan & Haenlein, 2011a). It has been prominently mentioned in the literature that gaining customer knowledge to integrate customers into the decision-making process and co-produce with them are of high importance in gaining a competitive advantage (Kaplan & Haenlein, 2011a; Vargo & Lusch, 2004). Marketers can gain customer knowledge through marketing research, and social media can also be used to collect data during the marketing research process. In

comparison to obtaining customer data through traditional data collection methods like conducting cross-sectional surveys, micro-blogs allow the exploration of what customers are discussing on an instant continuous basis, thus, they provide a distinct type of “live” information (Kaplan & Haenlein, 2011).

Check the “Marketing Practice Box 3” below to see how Dell utilized micro-blogging to hear the voice of its customers at the prepurchase stage.

Computer manufacturer Dell has created a team which involves about 40 employees from various departments of the company that typically do not interact with customers such as HR, Finance, Logistics etc. Members of this team engaged with Dell’s end customers via micro-blogging in order to get customer-centered viewpoint and get closer to the market. This team shared the customer feedback with related departments of the company. All the feedbacks coming from Twitter and other microblogs analysed systematically and Dell realized that customers of newly-launched Inspiron Mini 9 laptop has a problem with apostrophes and return keys of the laptop as they were closely located. This precious insight that has come to light using micro-blogging help Dell to address this problem in its design of the next generation Inspiron Mini 10. (Kaplan & Haenlein, 2011)

Marketing Practice Box 3: How Dell is listening voice of its customers

Micro-blogs provide conversations that are short in length, quick in speed and huge in numbers by nature, and when combined, all these conversations produce a meaningful message. Thus, marketers need to deep dive into the conversation flows in order to utilize such valuable information as the Dell example shows.

Micro-blogs can also be used for advertising purposes to stimulate the purchase decision of consumers (Kaplan & Haenlein, 2011). For instance, retailer Whole Foods posts tweets to spread the special promotions of the store. It also encourages followers to tweet about Whole Foods by giving a gift card as a present to the best tweet made about the brand (Kaplan & Haenlein, 2011).

Some companies use micro-blogs as a sales and distribution channel. For instance, JetBlue Airways offers special low prices on available seats on flights the following weekend and announce these low-price promotions exclusively on Twitter (Kaplan & Haenlein, 2011).

Micro-blogs can be used by companies to improve customer service, customer relations and for complaint management purposes (Coyle, Smith, & Platt, 2012; Greenberg, 2010; Kaplan & Haenlein, 2011). Jansen, Zhang, Sobel, and Chowdury (2009) report that six percent of all brand related tweets contain negative phrases about a brand, company or a

product. According to Greenberg (2010), micro-blogs are important platforms in managing customer relationships, because blogs help companies to engage with customers through direct responses of company representatives to complaints, concerns and questions of customers. Through micro-blogs, public communication takes place between the company and the customer. The suggested way of handling customer complaints is asking microbloggers to elaborate on a problem or guiding them to contact the company, after all solving the problem (Coyle et al., 2012; Greenberg, 2010).

Like micro-blogs, blogs and content communities are also useful for listening to customers and also for protecting the company's reputation (Constandinites, 2014).

9.4. Content Communities: Really Popular Contact Channel for Reaching Millions of Audience

Content communities like YouTube are highly popular platforms, so many companies use content communities as a contact channel. For instance, Procter and Gamble utilizes YouTube as a channel for organizing contests that encourage users to upload a one-minute video that contains a song about how Pepto-Bismol cures diseases like heartburn. Likewise, low-budget 'Will it blend?' videos of Blendtec are reported to be watched by a lot of people, expressed in millions (Kaplan & Haenlein, 2010).

Majestic Heli Ski is a company which offers helicopter skiing in remote areas of Alaska for a ski vacation. The owner of the company reported that almost half of company's new customers are now finding them through YouTube; the customer base of the company grew 400% in last five years, and sales increased by 25 % each year since the company started to use video ads on Youtube (Rota, 2019).

9.5. Collaborative Projects: The Easiest Way to Keep Website Up to Date

As collaborative projects have a power of grouping people spontaneously to organize information into categories, many companies have started to include and consider them as a marketing communication tool. For example, tourism agency Thomson's website provides an affiliate link to deli.cious.com, so that its users can tag and sort Thomson's website through this technology (Sigala, 2007).

9.6. Virtual Worlds: Almost a Panacea

Virtual worlds like Fortnite provide a new channel for branding, adver gaming and interactive advertising (Atli & Can, 2015; Duncan, Miller, & Jiang, 2012; Jin & Bolebruch, 2009), selling and marketing research (Atli & Can, 2015; Kaplan & Haenlein, 2009).

9.6.1. Advertising on Virtual Worlds necessitates more than just streaming video ads

Virtual social worlds can be used by companies as an advertising platform by opening virtual flagship stores that present digital equivalents of real life products (Kaplan & Haenlein, 2009a; Kozinets et al., 2002) For instance, Toyota has a virtual store in SecondLife, and Toyota launched a redesigned Scion xB and a new model called the xD in Second Life (Chakravorty, 2007). As these platforms are highly popular among the players, in its commercial film for the Tundra, Toyota Company placed pictures and mechanics from the World of Warcraft application. The outcome of this ad was an increased audience traffic among the US players (Kaplan & Haenlein, 2009a).

It is also possible to buy advertising space in virtual shopping centers or TV channels of virtual social worlds. For instance, IMAX Corporation advertised the “Harry Potter and the Order of the Phoenix” part of the Harry Potter film series within SecondLife, and reached fifteen thousand unique visitors (Kaplan & Haenlein, 2009a).

Sponsoring events in virtual worlds is another option for companies. For instance, British newspaper Guardian and Intel together supported a virtual music festival, “Second Fest”, on SecondLife (Kaplan & Haenlein, 2009a).

Fortnite is (one of the newest virtual social game platforms which is free and can operate on any device like a smartphone or a personal computer) is another option for advertising on Virtual Worlds. The National Football League (NFL) in the U.S, which has thirty-two teams, advertised on Fortnite by allowing the players to select skins that wear the uniforms of one of the NFL Teams (adage.com).

Like the NFL, Nike is another brand that collaborated with Epic Games, provider of Fortnite. Through this collaboration, a new mode was added to the game called “Downtown Drop by Jordan”. In this mode, featured licensed products of Nike were included in the game as branded content (Fleck, 2018).

To promote “Avengers: Infinity War”, Marwel also utilized Fortnite like Nike does. “Avengers: Endgame” mode with the “Thanos” skin was created for the game (Fleck, 2018).

Even musicians can promote themselves at Fortnite, as part of in-game events. For example, on February, 2019, Disk Jokey Marshmello became the first person to perform live and have a virtual concert at Fortnite. Eleven million people connected to the game to watch the concert. About forty million people watched this concert later on Youtube (Slefo, 2019).

9.6.2. Virtual Product Sales (Virtual Commerce) on Virtual Worlds

Companies can sell digital versions of their products and services through virtual social worlds. For instance, Telecom Italia, in 2017, offered a GSM line called the “First Life Communicator,” to the inhabitants of SecondLife to use as they do in real life. Like Telecom Italia, the Dutch media company Endemol extended its “Big Brother” reality show to SecondLife. Endemol invited fifteen residents to spend a month in a virtual house with glass walls (Kaplan & Haenlein, 2009a). Companies can also sell virtual products in SecondLife flagship stores, and then ship the real ones to the user’s home as United States consumer electronics retailer Circuit City does. This form of virtual commerce is thought to reduce some of the weaknesses associated with electronic commerce, such as poor product presentation, especially for fashion and design items, or limited social interaction (Kaplan & Haenlein, 2009a; Wang, Baker, Wagner, & Wakefield 2007).

9.6.3. Marketing Research on Virtual Worlds

Marketers can use virtual social worlds also for marketing research purposes, and it has been reported that the cost of data collecting on virtual platforms is almost half of the cost of collecting face to face data (Kaplan & Haenlein, 2009a). Virtual social worlds can also be used as test markets before introducing a new product to the whole market. For instance, Starwood Hotels & Resorts offered their new hotels with the name of “Aloft” on SecondLife first to see what features are important for the guests. The vice president of the company reported that the idea of having a radio in the guest rooms’ showers was obtained from SecondLife users (Kaplan & Haenlein, 2009a).

10. Conclusion

Social media, which has become very popular as a means of marketing communication in a short time, recently has become the new normal in the marketing efforts of many companies. However, the internet and web technologies that enable the existence of social media are constantly developing and transforming. Considering what might happen in this area in the future, it is foreseen that, as the capabilities of the web evolve, the types of social media will increase or existing ones will also evolve to adapt to developments. The most concrete basis of this idea is the transformation of Instagram, one of the social networking sites. By comparison, it is immediately noticeable that the capabilities of the first version of Instagram were quite different from the current version. Instagram, a platform where people used to share their instant situations through photographs at the very beginning, has now become a social shopping medium to a great extent. Likewise, Twitter, Instagram and Facebook, which

were social media platforms with different purposes, are now becoming increasingly similar. There is only one truth that will never change in the face of what happens and what will happen in social media: Even if all social media were to be gathered under one roof or new social media types were to emerge, what marketers should never forget is that all communication opportunities should be handled in an integrated way, without ignoring the increased customer empowerment. Besides, including a detailed “social media plan” into strategic marketing planning and having a well-defined “social media policy” are crucial to manage marketing communication well, both in good times and bad times.

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CHAPTER 6

NEUROSCIENCE MARKETING

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Abstract

Neuroscience marketing is the application of neuroscience methods to marketing. It is a new field of marketing which applies medical technologies to examine the brain's responses to marketing stimuli. Neuroscience marketing is essentially a method that helps companies to explore customer buying decisions. Marketers utilize neuromarketing techniques to measure a consumer's preference based on the activities in parts of the brain and to explore why consumers make the decisions they do. Neuroscience marketing includes the direct use of brain imaging, scanning, or other brain activity measurement technology to measure a consumer's reaction to specific products, packaging, advertising, or other marketing stimuli. The brain responses measured by these techniques may not be consciously perceived by the respondents; hence, this information may be more revealing than self-reporting on surveys, in focus groups. With the help of neuroscience, marketers design products and create advertisements much more effectively. This chapter presents neuro-marketing techniques and how they enable marketers to pre-established emotional influence, the practice of neuromarketing methods in advertising and package design tactics.

Keywords: Neuroscience Marketing, Packaging, Advertising Effectiveness, Advertisement, Marketing Research.

1. Introduction

Neuroscience is a new technique that has been created to gauge the impact of marketing efforts on the consumer. Neuromarketing is a new discipline that applies neuroscience methods to understand consumer behavior. Research has shown that ever since scholars started using this tool, the interest levels in it have risen. In 2006 only three manuscripts were published. However, in 2016, this number reached 83 published articles. This quick acceleration of publications indicates neuromarketing is a flourishing discipline. Each year there is a growing community of academicians publishing their research in the field. According to Google Scholar, presently, there are over 15,000 neuromarketing papers published in different academic journals. When doing a Google word search on “neuromarketing,” close to one million sources popped up in 2008 (Hubert & Kenning, 2008). In 2012, the same keyword, “neuromarketing,” hit over 1.4 million matches, stressing the growing trend of this concept. Today this number reaches over 3 million matches for the vital word “neuromarketing.” Currently, global companies that do research on neuromarketing and provide competitive advantages to the small and big companies are growing. Since neuromarketing receives increasing public awareness levels, it has become popular in both research and practice. Its attractiveness is also continuously growing.

By using a variety of different biometrics sensors and sophisticated software, neuroscience can precisely track what a person is looking at (attention), whether he is experiencing positive or negative emotional arousal, and what these emotions are. Neuromarketing is an emerging integrative field. Psychology, and marketing are significant components of this discipline due to the nature of the topic. Its emphasis on evaluating buyer’s rational and emotional responses to marketing 4P’s and other stimuli such as the economic, political, social, and technological situation of the market (Karmarkar, 2011). Neuromarketing is a description of the utilization of neuroscience and physiological exploration methods to gain a deeper understanding of people’s behavior, preferences, and decision making (Stanton, Sinnott-Armstrong, & Huettel, 2017). Most of the time, marketing research data collection traditionally relies on self-report methods such as a questionnaire. Consumers use conscious thought as a way to post-rationalize their behaviors. Ninety-five percent of all cognitive process such as making a buying decision, paying attention to the advertisements, retention of the commercials, retrieval rate takes place in the subconscious mind. Surveys can only measure the customer’s rational brain behaviors (Zaltman, 2003). Neuro-marketing addresses the analysis and utilization of unconscious or unexpressed consumer’s buying processes. The use of neuromarketing is growing in popularity among big brands like Unilever and Coca Cola.

Neuromarketing is a growing field of interest for both researchers and businesses because it provides more detailed and valuable feedback than the usual marketing research techniques. It also provides much more efficient pieces of evidence in the interpretation of the consumer buying decision and rationality whenever they make the purchase decisions. Leading marketing research companies, including Gallup, Sand Research, Nielsen, and TNS, has increasingly used neuro-marketing techniques in their market researches (Camargo & Acero, 2016). Neuroscientists can explore the subconscious of consumer behaviour by evaluating the body's autonomic response to a marketing stimulus. For example, medical science has proven that an altered emotional state changes the heartbeat rate of the respondents (Yoshida & Sugaya, 2019) and initiate changes to the skin's electrodermal response as known earlier galvanic skin response (Cuesta, Niño, & Martinez, 2018). Patients with impaired emotional function care found to be utterly unable to make the most straightforward decisions (Bechara, H. Damasio, & Damasio, 2000). The study of neuroscience has permitted companies to gain insight for their brands into the way of the consumer's brain responds to certain stimuli.

While neuroscience is focusing more generally on the behaviour of the brain, neuromarketing examines how companies can modify their brand awareness strategies to influence customers on a psychological level. A simplistic explanation lies in the wiring of the human brain, where emotion plays a pivotal role in how the brain processes information. For every stimulus, we experience - the limbic system (which lies just under the cerebrum and is primarily responsible for emotion) —associates to each stimulus an intrinsic attractiveness (emotional valence): sound, harmful, or neutral. So, humans' brain does not only react to the facts of the information but also the psychological element of this stimulus (Bechara et al., 2000). Recalling the experience or event can explain the emotion associated with the stimulus. As a mechanism, the consumer makes buying decisions depend significantly on passion, recognizing your target market's affective response is essential. Salespeople are no strangers to take advantage of emotions to get in touch with their customers and influence them to purchase their offerings. In developing countries, markets and stores, or used car dealerships are full of "your best friend" inviting you for a cup of tea/coffee in their store or boutique to try to persuade you to buy several of their products such as carpets, gifts, shoes or their cars.

This chapter on Neuro-marketing presents an example of how neuroscience tools such as galvanic skin response measurement, facial expression analysis, eye tracking, and electroencephalography (EEG) enable marketers to pre-established emotional influence.

With this information, marketers can measure the effectiveness of advertising, the design of a package, webpage, or a product.

2. Neuro Marketing Tools

Unlike standard marketing research tools such as consumer surveys, focus group interviews, and in-depth interviews, neuromarketing utilizes several well-documented neuroscience techniques that measure the electrical and metabolic activity of consumers’ brains. A few examples of these neuroimaging and neurophysiological methods include: computerized tomographic scanner (CT scan), magnetic resonance imaging (MRI), Magnetoencephalography (MEG), Electroencephalography (EEG), Positron Emission Tomography (PET), Transcranial Magnetic Stimulation (TMS), Magnetoencephalography (MEG), Functional Magnetic Resonance Imaging (fMRI) and Positron Emission Tomography (PET). There are many techniques that neuro marketers use extensively as a measurement of the electrodermal and psychophysiological reactivity. These techniques include such activities as eye-tracking, evaluation of the heart attack, and respiratory rate and some of the other biometric tools Zurawicki (2010), Calvert, Spence, and Stein (2004), Kenning and Plassman (2005) organize the categories of tools utilized in neuromarketing research into three groups of recording methods in the brain: metabolic activity, electrical activity and non-brain activity (see Figure 1).

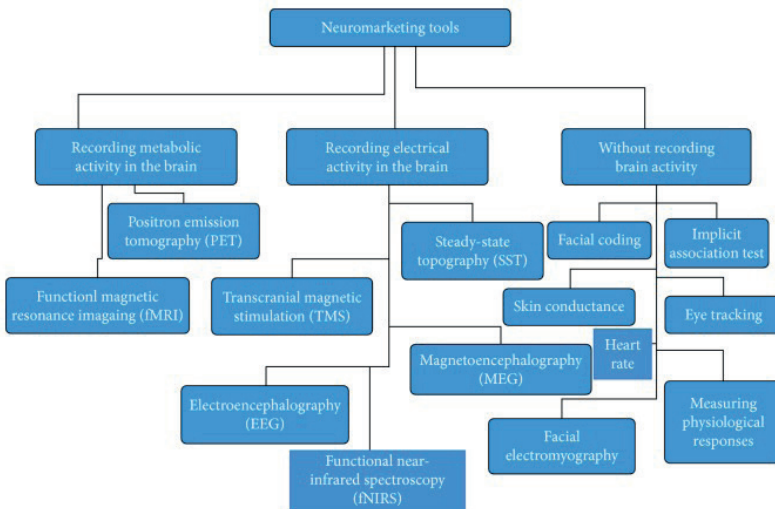


Figure 1: Categories of Tools Utilized in Neuromarketing Research

Source: “Consumer Behaviour through the Eyes of Neurophysiological Measures: State-of-the-Art and Future Trends”, by P. Cherubino, A. C. Martinez-Levy, M. Caratu, G. Cartocci, G. Di Flumeri, E. Modica, ... , and A. Trettel, 2019, *Computational intelligence and neuroscience*, 2019, p. 7.

In Table 1, a flowchart presents the essential neuromarketing methods. Additionally, the table indicates what it assesses, when to use them, and their benefits and restrictions.

Table 1: Summary of Neuromarketing Methods					
Neuromarketing Tools	Type of Methods	What is measured?	Business Application	Benefits	Restrictions
Electroencephalography (EEG)	Recording Electrical Activity in the Brain	Attention, engagement, excitement, emotional valence, cognition, memory encoding, recognition, approach withdrawal, and mental workload	It is used to test advertisements, movie trailers, website design and usability, app and socialmedia, in-store experiences, print and image design, new product, packaging design, pricing, sensory studies, outdoor advertisements, political debate, and other marketing stimuli.	High temporal resolution, relatively low equipment costs, noninvasiveness, valid measure for cognitive information processing, and portability	Low spatial resolution, Non-scalable, and susceptibility of the results to the influence of the moving artifacts
Eye Tracker	Without recording brand activity	Visual search, fixation position, eye movement patterns, spatial resolution, excitement, attention, and pupil dilation	It is used to test websites and usability, app and social media, in-store reactions, packaging designs, advertisements and video materials, print and image design, shelf layout, product placement, and aesthetic stimuli. It can test how a consumer filters information and determines the hierarchy of perceptions of the stimulus material.	Portability and noninvasiveness	Low flexibility since it does not work efficiently with glasses and contact lenses
Facial Coding	Without recording brand activity	Unconscious reactions and emotions	It is used to test advertisements (e.g., dynamic and static) and movie trailers.	Real-time data and noninvasiveness	Subjectivity

Functional magnetic resonance imaging (fMRI)	Recording Metabolic Activity in the Brain	Human memory encoding, sensory perception, craving, trust and brand engagement, loyalty, preference, and recall	It is used to test products, advertising campaigns, packaging, designs, and prices; to predict customers' choices or identify their needs; to reposition a brand; and to test sensory characteristics and a celebrity endorsement.	High spatial resolution, ability to localize neural processing during consumer choices and consumption experience, valid measure for cognitive and affective responses, and ability to detect changes in chemical composition or changes in the flow fluids in the brain	Low temporal resolution, expensive, immobility of participants during the experiments, non-scalable, and ethical barriers
Indirect measures: reaction time	Without recording brand activity	Reaction time and underlying attitudes/evaluation	It is used to test consumer attitudes (for brands and categories), celebrity endorsement (choosing the right option), and salient packaging features/brand image.	Less biased	Responds depending on the subject collaboration
Magnetoencephalography (MEG)	Recording Electrical Activity in the Brain	Perception, attention, and memory	It is used to test new products, advertisements, packaging design, and sensory studies and identify needs.	Has good temporal resolution and spatial resolution better than that of EEG	Need for a room free from the earth's magnetic field, expensive, and ethical barriers
Physiological response: Heart Rate (HR) and Galvanic Skin Response (GSR)	Without recording brand activity	Emotional engagement, valence, arousal	It is used to test advertisements, movie trailers, website design, app and social media, product perception, aesthetic stimuli, and other marketing stimuli. It can measure reactions and consumer measures in both laboratory settings and the natural environment (i.e., store).	Portability and noninvasiveness	More informative if combined with other neurometric tools

Positron emission tomography (PET)	Recording Metabolic Activity in the Brain	Sensory perception and valence of emotions	It is used to test new products, advertisements, and packaging designs.	High spatial resolution, valid measure for cognitive and affective responses, and ability to detect changes in chemical composition or changes in the flow fluids in the brain	Poor temporal resolution, expensive, and invasiveness by the application of radioactive contrast
Steady-state topography (SST)	Recording Electrical Activity in the Brain	Memory encoding, engagement, emotional engagement, attention, and processing visual and olfactory input	It is used to test advertisements, movie trailers, prints and images, and brand communication.	High temporal resolution and tolerance for high levels of noise or interferences	Low spatial resolution
Transcranial magnetic stimulation (TMS)	Recording Electrical Activity in the Brain	Attention, cognition, and changes in behaviour	It is used to test new products, advertisements, packaging design, and other marketing stimuli.	Portability and possibility of studying specific brain areas	Expensive and ethical barriers manipulating brain activity
<p>Source: Adapted from “Consumer Behaviour through the Eyes of Neurophysiological Measures: State-of-the-Art and Future Trends” by P. Cherubino, A. C. Martinez-Levy, M. Caratu, G. Cartocci, G. Di Flumeri, E. Modica, ..., and A. Trettel, 2019, <i>Computational Intelligence and Neuroscience</i>, 2019, p. 11.</p>					

3. Neuro Marketing and Advertising

In the US, total advertising spending is more and more increasing. In 2014, US companies paid over \$180.12B for advertising expenses (Emarketer, 2015), and all over the world, companies invested over \$540 billion in 2015, with an increase of almost five percent overspending from the prior year (Adage, 2015) while in 2018, US companies paid \$223.7 for advertising expenses (Statista, n. d.), and all over the world, it is estimated that advertising spending worldwide will surpass 560 billion U.S. dollars in 2020 (Statista, n. d.) The target markets experienced a growing number of commercials and advertisements. The urban Americans saw roughly 2,000 ads per day in 1985, and this number more than doubled with people viewing 5,000 ads per day in 2016 (New York Times, 2015). Nevertheless, among a sample of 350 ads exposed in a day, only 153 advertisements were found to received attention and were valid for more than a few seconds (SJ insight, 2014).

Investigating the effects of a television ad is easy by locating data about the points listed using neuroscience models for:

- i. Appraising the value of an advertisement by neuromarketing indexes as a whole or for particular frame segments
- ii. Assessment of various influences on the perception of the TV commercial by two or more subgroups (girl, boy, adult, child, etc.)
- iii. Explaining the reduction principles associated with TV commercials in time, based on neuro-indicators and producing a shorter but also valid version (i.e., 30" to 20" or 15")
- iv. Preliminary review of an advertisement
- v. Study of the effect of recurring exposure (to test the optimal grossing rating point (GRP))
- vi. What and where people look at on a screen can be measured. Marketers can measure the visual elements and how long consumers fixation lasts when certain advertising elements appear in front of them.

Advertising effectiveness on the target audience can be dependent on numerous reasons namely the product category, the emphasis of the decision-making process, and the nature of the target market (Glowa, 2002).

Basically there are two different approach to measure advertising effectiveness; first technique is to focus on evaluating indicative marketing metrics like loyalty, consumer satisfaction, product awareness and product preference; secondly, evaluating concrete marketing metrics like increase in the sales, profits, company market value, return in investment and cash flow, satisfaction and loyalty (McAlister, Srinivasan, Jinda, & Cannella, 2016). Whatever the chosen method, observing the efficacy of advertising campaigns remains a challenge for most businesses. However, cognitive neuroscience techniques and some other innovative research techniques can be applied to achieve the necessary effectiveness for proper scholarly documentation.

Good advertisements influence consumers' tendency and liking towards the product and positive attitudes and behaviors (S. Lee, Y. Lee, J. Lee, & Park, 2015; Meyers-Levy & Malaviya, 1999; Smit, Lex Van, & Neijens, 2006). Marketers can assess the effectiveness of an advertisement by numerous factors such as the consumer's attitude toward the commercial, for instance if they like it or not, the consumers' attitude toward the brand, product or company (Lewinski, den Uyl, & Butler, 2014; Mitchell & Olson, 1981) the target market's buying intention, the actual purchase

of the product (Lewinski et al., 2014) and the recall for the advertised company, brand or product (Turley & Shannon, 2000). A viewpoint toward the commercials and the product brand communicates the preference, fun, liking, pleasure, enjoyment, happiness and valence of feelings of consumers about the commercial and the brand, respectively (Chattopadhyay & Basu, 1990; Phillips, 2000). The consumers buying objective considers the subjective probability dimension of a person that associates him or her to a specific behaviour (Ajzen & Fishbein, 1980). This intention indicates to a behavioural plan or the subjective probability of a given response (Lewinski et al., 2014). Recall impacts the buying decision and is therefore known as a central feature of advertising effectiveness (Turley & Shannon, 2000).

The evaluation of advertisement effectiveness is problematic for several reasons. Individual responses to an advertisement are affected by factors besides the ad itself. Such items as cultural, economics, socio-demographics, and psychosocial stimuli also affects a consumer's response (Corvi & Bonera, 2010). Moreover, advertising results fluctuate and do not always translate into precise quantitative terms, such as sales revenues. In addition to these challenges, the advertising effect also does not directly ensure the introduction of a campaign with outcomes changing over time (Corvi & Bonera, 2010).

The fundamentals of advertising's efficacy are a person's opinions about the advertisement the brand, its intentions, and, in the long run, the actual person's behaviour (Lewinski et al., 2014) and memory recollection (Turley & Shannon, 2000). As a driver of behaviour, opinions toward advertising impact advertising effectiveness (Ling, Piew, & Chai, 2010; Mehta, 2000; Ting & de Run, 2015). Ajzen and Fishbein (1980) define a person's opinion about an object, as both a cognitive and affective evaluation of this object. It is also an indicator for behavioural intent. Successively, the behavioural intent is information to support the consumer's inclination to act in a specific way (Ajzen, 1991). Nevertheless, belief is the innermost dimension for opinion about advertising (Tan & Chia, 2007). Any adjustment or shift in views about commercials head towards a replacement or shift in attitude toward the commercial. This change therefore impacts the purchase intention (Ting & de Run, 2015; Wang, Sun, Lei, & Toncar, 2009). Whereas a positive belief about the outcome emerges, the plan enacts a behaviour increases (Shook & Bratianu, 2010). Research on commercial recall was an interest of researchers for a long time, and even before the involvement of neuroscience researchers, Bozinoff and Dacin (1985) determined that long-term recall was possible, with specific advertisements being recalled over a decade later. Specifically, highly creative ads are more straightforward to recall than control advertisements, making creativity an essential component of advertising recall (Lehnert, Till, & Carlson, 2013).

Measuring advertising effectiveness rises as the variable “emotion” is launched to the field (Corvi & Bonera, 2010). Emotion considerably impacts individual response messages (Lewinski et al., 2014; Mai & Schoeller, 2009), and it is an indicator of effectiveness of the advertisement (Poels & Dewitte, 2006). Consumer’s awareness about the advertisement message and product is amplified with emotional advertisements. Such commercials enhance the product’s appeal and increase the brand recall rate. For example, sensitive announcements are prone to be remembered than informative commercials (Page, Thornson, & Heide, 1990). Assessing a consumer’s emotional response provides a robust understanding of the advertisement’s bearing on consumer attitude, behaviour, and recall. Emotions are responses to stimuli that impact one’s immediate physical environment (Kiehl, Laurens, Duty, Forster, & Liddle, 2001; Petrides, Pérez-González, & Furnham, 2007; Ramsøy, Friis-Olivarius, Jacobsen, Jensen, & Skov, 2012). LeBlanc, McConnell, and Monteiro (2014) demonstrate that emotions are essential for consumer responses and connected to attention, decision making, and memory. Emotion effects the distribution of resources to the visual structure (Algom, Chajut, & Lev, 2004; Estes & Verges, 2008; Öhman & Mineka, 2001) moreover, negative stimuli allocate more attentional resources than neutral stimuli.

Emotions, such as sexual excitement or hunger, be able to influence a person’s decision-making process (Loewenstein, 1996). Moreover, emotions in both individual’s attitudes and judgments, affect a consumer decision making (Gutnik, Hakimzada, Yoskowitz, & Patel, 2006). Emotions are potent, persistent, predictable, and can be, occasionally, harmful. Emotions are also the driving force of decision making (Lerner et al., 2015). Depending on the situation, emotions influence peoples’ judgments and decisions (Lerner, Li, Valdesolo, & Kassam, 2015).

Wiles and Cornwell’s (1991) study explores a systematic assessment of different methods used to evaluate emotion in advertising research that applies autonomic measure or self-report. Lewinski et al. (2014), in order to examine self-report, used cartoon characters and required respondents to choose the cartoon character that corresponded to their emotional state to rank their emotional state on a Likert scale and answer an open-ended question. While this type of reporting is the simplest way to measure emotion, hidden or manipulated answers, and socially awkward feelings can be the result of this reporting. The emotion forces the consumers into a conscious, self-awareness process (Pryor, Gibbons, Wicklund, Fazio, & Hood, 1977) and increasing the possibility of “cognitive bias” occurrences (Poels & Dewitte, 2006). It is reported that, most of the cases, respondents have a tendency to respond what the interviewee feels to be in accordance with the moral code of the interviewer (Benstead, 2014).

In contrast to self-reporting, autonomic measures provide an evaluation of the respondent’s emotional responses because these responses are beyond of the respondent’s consciousness

(Poels & Dewitte, 2006). This approach assesses respondents' heart rate fluctuations (EEG), brain activity (fMRI), facial expression, eye movements and skin conductance variations (Cook, Warren, Pajot, Schairer, & Leuchter, 2011; Langleben et al., 2009; Lewinski et al., 2014). Except for facial recognition software, these techniques require the use of invasive tools to measure responses. For example, to monitor brain activity, a participant must have numerous electrodes positioned on his or her scalp. In addition to this invasive procedure, the explanation of the EEG data continues to be complicated. Conversely, automated facial expression methods do not require the wiring of the participant to a machine in order to provide a proper evaluation of the individual's emotional level; the outcomes are also rather instinctive and the assessment more comprehensible (Dieckmann & Unfried, 2014). Autonomic measures found to be more efficient than self-reports whether or not the measurement tools are invasive. The main reason of this is that autonomic measures repeatedly capture responses that are beyond the conscious control of the individual (Lewinski et al., 2014).

The Facial Action Coding System, EEG, facial electromyography (EMG), skin conductance, and heart monitoring are tools used to record autonomic measures, and each device has its limitations. The Facial Action Coding System is widely used to expose the visible movement of the facial muscles (Ekman & Friesen, 1978; Ekman, Friesen, & Hager, 2002). This method does not perform high achievement in measuring the emotional responses toward commercial and print advertising (Derbaix, 1995). Although EEG is a physiological measurement technique, it can only be able to control stimulation and not emotional valences (e.g., Cook et al., 2011). On the other hand, EMG shows better results than EEG in capturing respondent's emotional valences.

In addition, although EMG works alongside with self-report measures (Lang, Greenwald, Bradley, & Hamm, 1993) the EMG procedure is unpleasant, with the placing of electrodes on the respondent's face, and has a lower ecological validity (Lewinski et al., 2014). Skin conductance captures nervous system activation by measuring the level of sweat emission (Poels & Dewitte, 2006), with a higher level of skin conductance associating to higher physiological arousal (Ravaja, 2004). Since both positive and negative stimuli lead to the same level of nervous system activation skin conductance outcomes are restricted (Hopkins & Fletcher, 1994). Finally, measuring heart rate changes cannot be with a direct stimulus, and therefore heart rate monitoring must be done as an accompaniment to one of the earlier mentioned autonomic measures (Hopkins & Fletcher, 1994). It is important to take into consideration that, most of the time, the body reactions like changes in skin acidity or heart rate fluctuation are beyond the conscious control of the respondents' while the methods to measure autonomic reactions have limitations (Lewinski et al., 2014).

Individual faces can display many different emotions (Jack, Garrod, Yu, Caldara, & Schyns, 2012), and facial muscles. Facial expression techniques are perfect supplement to traditional surveys with the purpose to recognize emotional reactions that respondents cannot or do not want to communicate, are not consciously aware of, or do not remember at all. The cerebral cortex, through the corticobulbar tract, links both emotions and facial muscle interactions (Martinez & Du, 2012). More specifically, all potential values of facial expressions can be explained by amygdala (Whalen et al., 2013) and is generally regarded as an essential factor in emotion, social behavior, and emotion inhibition and regulation (Phelps & LeDoux, 2005). As previously discussed, while self-reports explore the conscious situation of the individual, the autonomic methods explore the body's reactions; therefore, autonomic techniques measure directly assess the unconscious appraisal of a subject and overcome the restrictions of self-report techniques (Lewinski et al., 2014; Poels & Dewitte, 2006).

Tools like facial readers or facial recognition software have been prevalent between scientists (Lewinski et al., 2014). McDuff, El Kaliouby, Cohn, and Picard (2015) analysed over one thousand facial responses from among twelve hundred individuals. The researchers presented people 170 advertisements. Their findings indicate that ads with higher emotions were higher possibility to be recalled than commercials with less strong feelings. Bakalash and Riemer (2013) applied fMRI imaging technique and they found that emotional advertisements stimulated greater amygdala stimulation. Consequently, these advertisements became the most memorable.

With the purpose of to explore the possible correlation between emotion and public service advertising effectiveness (Hamelin, El Moujahide, & Thaichon, 2017), used facial recognition software (GfK-EMO Scans). GfK-EMO Scans use webcam technology to capture in real time with automatic and non-invasive emotional reactions to different marketing stimuli (Garbas, Ruf, Unfried, & Dieckmann, 2013). GfK-EMO Scans does not have any disturbing cables and can record over 20 frames per second, empowering an accurate measure of real-time emotional responses (Garbas et al., 2013). Applying the GfK EMO Scan technology the creative process of producing a commercial can be objectively evaluated, facilitated and optimized.

In this study, 60 students were used as test subjects, the subjects observed two different safe driving commercial and their emotional reactions were recorded. First group of 30 students watched high emotional commercials, and the other group of 30 students seen low emotional commercials. Both public service advertisements conveyed similar messages about the dangers of speeding and the importance of road safety. The high emotional commercial presented a thrilling car accident with fatalities and expressed a great degree of negative

feelings, including nervousness, panic and distress. The low moving commercial provided systematic data and the law of physics to explain how a rider may have prevented a fatal accident by driving under the speed limit. After seeing the commercials, the participants answered a survey adapted from the National Survey of Speeding Attitudes and Behavior (NSSAB) and focused on measuring the impact of emotions on recall and attitude change. (The survey of the National Survey of Speeding first conducted in the US in 2011 and findings of the surveys show drivers segmented into three distinct groups: speeders, sometimes speeders, and non-speeders. Demographically speaking, speeders (30% of the total population) were more likely to be higher-income young males in comparison to sometime-speeders (40% of the total population) and non-speeders (30% of the total population). The result of this survey published by the US Department of Transportation, National Highway Traffic Safety Administration (NHTSA). The findings of the research also analysed cell phone habit (calling and text messaging) while driving, demonstrating speeders used their phones more while driving when compared to sometimes speeders and non-speeders (Schroeder, Kostyniuk, & Mack, 2013). Hamelin and colleagues (Hamelin et al., 2017) administered the survey again two weeks after the initial study. The reason of the two weeks delay for the second survey, was depending on the fact that people seems forget roughly 48% of meaningful material within two weeks of exposure (Di Vesta & Smith, 1979). The median values of the group who was shown the high emotional video can be seen below (see Figure 2).

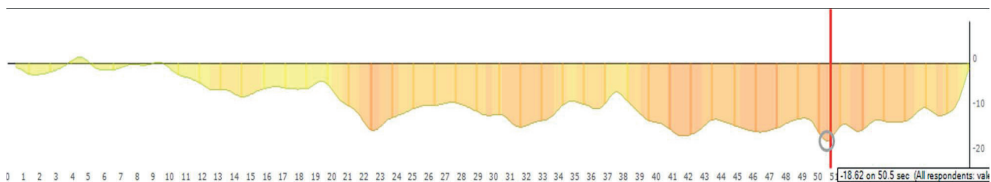


Figure 2: The Median Values of the Group Who Was Shown the High Emotional Video (HEV).

The first few seconds of the high emotional commercial records and show a young couple kissing and positive feelings. Instantly following the scene, a car smashes into the couple. At this point, the emotional valence turns negative and remains negative until the conclusion of the commercial. A score of 55.5” was the highest score registered by any one of the participants with a relative value of -18.62 . Although the scene marked at 50.5 s does not display any strong emotional cues (see Figure 2), The recorded negative emotion is strong because there is an “accumulation” of emotions from the participants. Participants register highly negative emotions after being shown the female victim on the operating table. The crying relatives next to the corpse of the boy at the mortuary, the overturned car on the side of the road, and the driver’s expression while he loses control of his vehicle (see Figure 3).



Figure 3: HEV High Emotional Scenes

In contrast to the reactions to the HEV, subjects who have watched the low emotional video (LEV) demonstrate a lower level of emotional valence (see Figure 4 and 5).

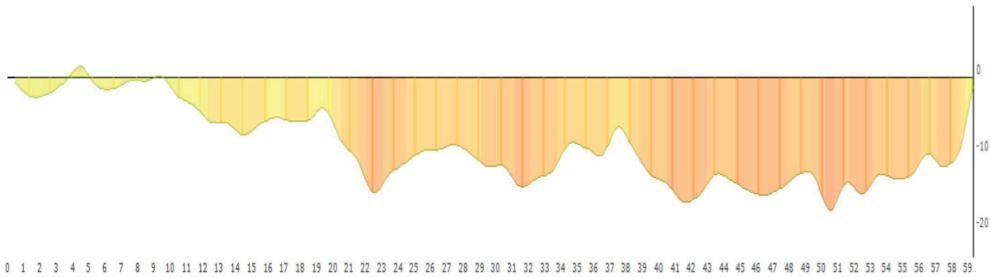


Figure 4: HEV All-Respondents Emotional Valence Graph

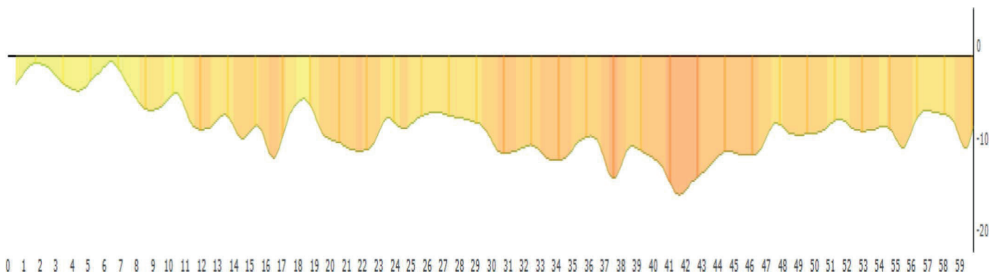


Figure 5: LEV All respondent Emotional Valence Graph

For LEV participants, the highest emotional instant is captured at 41.6 s with a relative value of -17.07 (see Figure 6). The scene does not contain any emotional cues; instead, it shows a quick variation of the speedometer. This change caused participants to lower their gaze and eyebrows, subsequently causing the system to interpret the action as a shock or negative emotion.

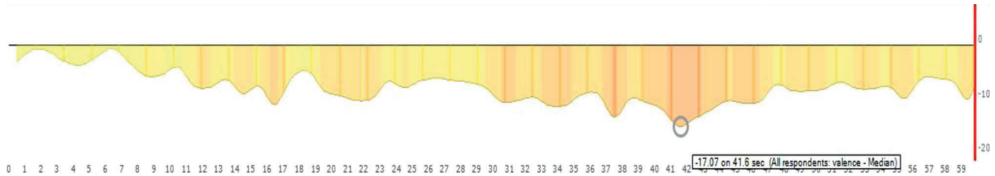


Figure 6: LEV All-Participants Emotional Valence Peak Value

The study suggested that response to a commercial advertisement is constant across a given population because the test population had an identical emotional reaction to a given stimulus, despite noting a variation between genders. This result was corresponding with the findings of Hasson, Nir, Levy, Fuhrmann, and Malach (2004), who used fMRI to demonstrate that much of the cortical response was typical.

Another crucial result of this research affects to the influence of both high and low emotional commercials on initial attitude and its change after some time. Test subjects exposed to the HEV have reported a better safe driving attitude score than the participants who watched the LEV. Concerning memory impact, this research also shows that high emotional commercials direct to a more stable attitude change than low emotional commercials. The safe driving attitude score of test subjects who had watched the LEV declined considerably after two weeks, while subjects who had seen the HEV had retained the similar high rating following the same two-week period. The message expressed within a highly emotional approach increases storage and retrieval potential over the same message demonstrated in a low emotion strategy. The result of this research indicates that emotions impact respondents' understanding and retention of the word in a commercial. Although both ads were concerned with driver safety, the specific message about the danger of speeding has only significantly influenced participants' attitudes towards speed, has had no effect on other hazardous driving reactions, such as texting and phoning while driving.

fMRI imaging offers an insightful understanding of human behaviour and consumer habits. These two traits are essential aspects in neuromarketing (Farnsworth, 2019). Neuromarketing employs fMRI to assess advertising campaigns before sending them out to the general public.

A participant study observed three different advertisements for the National Cancer Institute's telephone hotline. Thirty-one right-handed participants (15 females, 16 males) were recruited from a quit-smoking program located in the Los Angeles area of the United States. The partakers were paid \$80 after they completed the fMRI study (Falk, Berkman, & Lieberman, 2012). Every one of the contributors were intense smokers with a real determination to quit smoking (Biener & Abrams, 1991). As such the reference point for intentions to quit smoking were held reasonably constant across this sample. The age range varied from 28 to 69 years ($M = 44.4$ years, $SD = 10.1$), with ethnically and socioeconomically diverse backgrounds.

This novel approach is a unique way for identifying advertisement campaigns that will invite public attention. The ten advertisements ending, with the phone number, are the focus of the current study. The advertisements were distributed as follow: three of these advertisements appeared in Campaign A, three ads appeared in Campaign B, and four ads appeared in Campaign C.

Participants watched expertly built television advertisements designed to assist smokers quit smoking during the fMRI session. Researchers concentrated on three advertisement campaigns (designated here as Campaigns A, B, and C). All advertisements were selected to target smokers who had decided to quit. All campaigns included a total of 90 seconds of advertisement time. The duration for each ad was 30 seconds, apart from two advertisements lasting only 15 seconds. All participants viewed a series of 16 ads, 10 of which ended by displaying the National Cancer Institute's Smoking Quitline phone number (1-800-QUIT-NOW). The advertisement campaign that supplied the highest amount of brain activity in a particular region and prompted significantly higher calls to the hotline.

4. Neuroscience and Effective Packaging Design

The importance of packaging strategies is increasing exponentially. As one of the essential attributes of the product, marketers employ packaging strategies to single out a company's product from the opposition's products. They differentiate their offerings by creating attractive and recognizable packaging, that is easily recognized in a store. Packaging's quality image is an essential carrier of a specially programmed market communication system. As part of the integrated marketing communication strategy, the appearance of the package is a necessary carrier of the quality of the product to the target consumers. In this communication, process packaging is a form of language. This language ought to attract the consumer's attention about the product, thereby creating interest, a consumer's purchase decision. This effort may generate a long-lasting favorable implication (Cholewa-Wójcik & Kawecka, 2015).

Brand packaging provides information on innovation and new design strategies to the company's brand managers, package designers, packaging material suppliers, and marketers by exploring new topics, trends, and news about consumer-packaged goods to successfully create strategic branding through package design. Through packaging design, brands move from merely being commodities and become expressions of lifestyles. Traditional package design requires hours of research and creative work. For impulsive-decision-based products, package design is critical for success. Attractive package designs which stand out are mostly designed to be emotional; however, assessing if a design of package is emotionally compelling or not is a difficult task. The reason for this is that traditional survey questions have a tendency to signify a customer's accurate emotional response poorly. These surveys measure a customer's feeling, i.e., the conscious interpretation of an emotional state rather than the emotion state itself. And, conscious understanding leads to bias. For example, respondents may attempt to please the surveyor, resulting in the well-known social desirability bias.

Visualize consumers evaluating a single food packaging in a noncomparative context. In this scenario, objective and factual cues that offer detailed quantitative information lead to better evaluations and higher purchase intentions than do evaluative nutrition cues. However, consumers are not examining products in a noncomparative environment. In a more realistic situation, consumers evaluate multiple products simultaneously, and those evaluative nutrition cues now reduce the cognitive load on the shopper, making them more useful. Front-of-packaging nutrition labeling is intended to educate consumers and aid them in making healthier food choices; however, the best practices for marketing on the packaging are unclear.

The consumer forms a perception of a product from the cues and product information present on the packaging. Still, these cues that engage and influence consumers' product evaluations and decision-making processes are barely understood (Andrews, Burton, & Kees, 2011). Consumers form attitudes by several factors, such as the packaging's ability to communicate nutritional and health perception (health), enjoyment, convenience (attractiveness), safety, transparency, and environmental motives (trust), and product perception (Von Alvensleben, 2001).

In one fMRI experiment, the researchers can examine the brain activity of subjects who had to make decisions about the attractiveness of specific fast-moving consumer excellent packages. The results show that brain activity is triggered when art subjects are presented appealing and unappealing package designs, showing different cortical events (Stoll, Baecke, & Kenning, 2008). The same study discovered significant cortical activity changes in visual areas of the regions associated with the processing of visual stimuli and attention

for the two distinct types of package designs. While researchers show subjects unattractive packages, the researchers found out increased activity in areas of the regions of the respondents' brain related with processing unpleasant stimuli. An example of a trigger of this increased activity are unattractive offers or abhorrent images in the print ads. Based on these, the researchers were able to understand and document why physically attractive packaging is given more attention, which leads to high sales of convenient consumer products (Gang, Lin, Qi, & Yan, 2012).

Appealing package designs considerably increased the response time of customers in buying choices: among a set of offered products, respondents chose the bags with well-known brands in traditional package design, and even though the bags had a higher price (Reimann, Zaichkowsky, Neuhaus, Bender, & Weber, 2010). Functional magnetic resonance imaging (fMRI) showed that this preference resulted in increased activation of certain parts of the brain. These findings propose that reward value presents a critical role in aesthetic product experiences.

Neuromarketing brain scans tools can predict customer buying behaviour significantly better than a survey method (Baldo, Parikh, Piu, & Muller, 2015). Baldo et al.'s (2015) study demonstrated that survey methods couldn't precisely predict consumer behaviour, whereas employing neuromarketing tools provided by brain scans data, the prediction precision achieved to 80%. Additionally, the researchers examined how these surveys and brain data methods could impact the gross profit of a company. A simulation created with sales data proved that survey-based planning might increase profit among 12.1%, while neuromarketing tools with brain scans may increase profit by as high as 36.4%. Brain data analysis is an advanced neuroscientific method that considerably improves product image and creates substantial competitive advantages and value for companies. Employing the preference index developed by Davidson, Ekman, Saron, Senulis, and Friesen (1990), a researcher can see on the computer screen the brain data analysis. This computer display shows the emotional response time of the brain while viewing a picture of a product's advertisement is merely one second.

Modica, Cartocci, and Rossi (2018) studied the emotional and cognitive reactions of the mind to the cross-sensory interaction (sight and touch) with products belonging to different categories. The results showed that respondents are more likely to approach situations more logically in reply to comfort food during the optical exploration and the visible and perceptible exploration stages and towards different food commodities in comparison with local ones. For this concluding interaction, a higher mental effort index (measured as the increment of the theta band in the frontal lobe) for the later interactions.

After realizing innovations in visual neuroscience regarding the reaction of consumers to various types of packaging, businesses such as Campbells started to reconsider their packaging strategies. Campbell was among one the big companies that used neuroscience to improve their packaging strategy. Campbell's marketing branch was flustered by a few issues. First of all, soup wasn't viewed as an important product by consumers, causing marketing research to be much more challenging; conventional marketing research methods such as ad recall and intent to purchase do not have a high linkage with actual consumer behavior. Campbell knew the fact that customers did have an emotional soft spot for their soup products (When you were sick or cold, your mother fed you soup. Maybe even Campbell's soup). The customer confronted with a shelf with almost identical red and white packages, the Biometric monitoring methodology showed that the warmth faded in the grocery store soup aisle as Campbell began to observe in what way customers were reacting to a string of design adjustments.

In 2005, Campbell company utilized neuromarketing methods to identify which components lead customers to decide to buy soup and if a fresh label design on the package would increase the sales of their soup. After almost two years of research on the emotional and cognitive reactions in response to pictures of bowls of soup in logo design, Campbell found that customers are more favorable to "matte" packaging than shiny textures (Couchman, 2017). Campbell redesigned its label according to these results (Kumar, 2015). According to their biometric analyses, Campbell implemented new displays and packaging to seek a better link with customers' feelings. The key attributes of the original packaging strategy were distinct colour packaging for various lines of soups. Additionally, they included a smaller logo, excluded spoon pictures, and included more vibrant and steamy images (Dooley, n.d.).

Another giant company was the Nabisco corporation, which produced substantial alterations to their package design of one of their popular foods, "Chips Ahoy!" Nabisco remodelled Chips Ahoy packages to boost sales and speed repurchases. The packages have a resealable-lift-here-flap that removes the past barrier of eating the entire package. Resealability is an important feature of the box. Simultaneously, the resealability assertion was driving adverse emotional reactions; it was too upsetting for the existing packages and too difficult to read on the proposed packages. The cookie appearance on the recommended packaging was also of concern. It was attracting only neutral reactions, despite its fame, and thus didn't appear to be effective. These results motivated the company to consider changes to both designs before making available the new packages. The resealability flap is more readable. The cookie pictures, on the other hand, gained more energy using the flying cookie visuals.

Hamelin, Kishore, and Harcar (2017) studied the importance of packaging for the organic food industry in India and the consumer's decision-making process that influenced purchase intention concerning organic packaged food. Hamelin, El Moujahide, and Thaichon (2017) recommended effective packaging design strategies for organic firms' brand managers based on factors identified in the study. Moreover, prior studies have demonstrated that evaluative cues (imagery, icons, color, etc.) drive more purchase intent than external signals (factual statements about the product). The study aimed to identify if different cues on the package can impact the attitude of the consumer develops towards the product. Neuroscience methods, like eye-tracking and skin conductance, were used to evaluate the impact of these cues on consumer decision making. Ultimately, the study used five brands of organic cereal (see Figure 7) to test which signals had an effect on the product's health, price, attractiveness, and trust measures, as well as how those factors impacted purchase intention. The researchers selected The Australian cereal brands to prevent brand recognition on purchase purpose among the students. A wide range of cue types present on each package motivated the selection process. The packaging ranged from *Lean on Me*—which provided the most subjective and evaluative cues, including information like a human face and a weighing scale—to the more objective cue-based packaging of *Australia's Own Organic*. Each signal constituted a three-second duration interval. Various studies (Hare, Camerer, & Rangel, 2009; Krajbich, Armel, & Rangel, 2011; Litt, Plassmann, Shiv, & Rangel, 2011) have discovered that respondents were able to make purchase decisions about food stimuli in 500- 2000ms. In multi-choice scenarios (displays with 16 items), Reutsckaja, Nagel, Camerer, and Rangel (2011) indicated that respondents were able to make precise decisions in less than three seconds.



Figure 7: Brands of Organic Cereals

The initial eye-tracking study yielded exciting results. During the investigation, five images flashed in random order with each cue was flashed for three seconds. Heatmaps show that male participants spent the most time viewing the evaluative cues, rather than the facts, for most packages. There was one exception. People spent the most amount of time on the brand and the flavor (see Table 2), both of which are facts when viewing the *five: am* packaging. The following table represents a summary of the results:

Table 2: Summary of the Results	
Male Participants	Female Participants
<i>Lean on Me:</i> The majority of the three seconds was spent focusing on the face of the woman. While still significant, less time was spent on reading the phrase “ <i>Lean on Me.</i> ” Even lesser time was attributed to the phrase on “nutritious living.” All 3 of these are evaluative cues: cues that allow the viewer to make their own interpretation and derive meaning relevant to themselves alone.	<i>Lean on Me:</i> The majority of the time was spent reading the <i>Lean on Me</i> brand name, which is an evaluative cue. While still significant, less time was spent on the face of the woman, weighingscale, and the phrase “nutritious living.”
<i>Australia’s Own Organic:</i> While the packaging had a great amount of objective and factual cues, most male participants chose to focus on the “From the organic farm” line, which is a subjective cue because most people would attach their own emotive value to the phrase.	<i>Australia’s Own Organic:</i> While men mostly only focused on the claim “From the organic farm,” women also spent a minor amount of time on the objective name of the brand.
<i>Buckinis:</i> Most people spent most time viewing the name of the product, which is a play on the word “bikinis.” It is not improbable that this will trigger a subconscious liking to the brand due to the word bikini.	<i>Buckinis:</i> Like the men, women also spent most of their time on the name of the product “Buckinis,” which is play on the word “bikini.”
<i>Mom’s Best:</i> As the trend seems to be, most people spent their time viewing the name of the product, “Mom’s best,” as well as the product type, which is Crispy Cocoa Rice. The brand name has an emotive attachment to it, because it might cue participants to think of their own mothers.	<i>Mom’s Best:</i> Like the male participants, women participants also focused most of their attention on the brand name, <i>Mom’s Best</i> , and the type and flavor of the product.
<i>five:am:</i> Given that this packaging had very few subjective cues that the participant could focus on, most people focused on the brand name and the name of the flavor.	<i>five:am:</i> Once again, the women participants focused most of their attention on the brand name and product flavor, presumably due to the lack of any other major cues on the packaging.

In the same study, researchers also examined the skin conductance or GSR readings, considering the highest average and the most significant responses, to gain a better understanding of emotional arousal. Results showed that *Buckinis* caused the highest arousal peaks among the men, followed by *five: am* and *Lean on Me*. Among the women, the only packaging that produced a maximum in GSR scores (above the threshold) was *five: am*.

Since humans naturally planned to convey and communicate emotion through facial expression, the face provides a luxurious canvas of passion. While GSR scores can show the hormonal-level emotional arousal, the iMotions software uses the eye-tracking and facial recognition tools to record and provide meaning to the broad reactions people felt towards the cues. Affective Emotion Analytics Dashboard (AFFDEX) systematically computes and determines respondents' emotions and facial expressions using high-tech computer systems and machine learning techniques. iMotions identified the following main features: Smile (Enjoyment), Brow Furrow (Concentration, Confusion, Dislike), Brow Raise (Surprise), Lip Corner Depressor (Sadness). *Australia's Own*, which had the highest average purchase intention scores, also had the most top scores on attention and engagement. Moreover, the five strongest manifested emotions were also broadly positive (smile, inner brow raise, joy). The results of the packaging with the lowest purchase intention scores (*Mom's Best*) demonstrated that the highest ratings were on negative factors like contempt and smirks.

Some interesting patterns emerge, considering the context of the heatmaps, some interesting patterns emerged. For example, *Australia's Own* had a significantly higher purchase intention when compared to other brands. This purchase intention coincided with emotional arousal associated with packaging and positive AFFDEX scores.

This result stems from the fact that the participant only viewed the evaluative cue. One can also see this result with *Buckinis*. While *Buckinis* is an attempt to be "emotive" with its play on words, it does not produce any impact. Most people viewed the evaluative cue of *Buckinis* and felt emotional arousal that was most akin to surprise and attention. Neither of these is strong enough to be positive impacts on purchase intention, and this reflects in their purchase intention scores.

Interestingly, *Lean on Me* made the highest purchase intention scores among the women. Based on the survey and regression analysis, people indicated that they would like to purchase the product. Their bodies and emotions seem to suggest otherwise. The GSR scores show no significant emotional arousal, and this finding is supported by the AFFDEX index, which demonstrated that most people seemed to be uncertain or doubtful about the product.

In conclusion, this study provided significant proof to support that consumers spend more time viewing evaluative cues over external cues. And attitudes developed towards the brand are impacted by both evaluative and objective packaging cues, and different packaging designs provide a variety of prompts for the consumer, which affects purchase intention. Von Alvesleben (2001) indicated that the factors which drive attitude are formed by whether or not the packaging

can communicate the nutritional and health perception (health), enjoyment, convenience (attractiveness), safety, transparency, and environmental motives (trust). Attitude, product perception, formed from the cues and product information present on the packaging. Lastly, there is substantial proof that actual product emotional arousal increases purchase intention.

5. Conclusion

Neuromarketing has gradually become accepted as a tool to gain actionable customer insight. In 2014 Ulman, Cakar, and Yildiz (2015) reported that well over 300 companies are utilizing neuromarketing techniques. The example provided here shows that measuring customer autonomic body reaction provided a robust understanding of a person's preference and choice. Companies can fine-tune their product design and promotional material to increase engagement, attention, and ultimately alter purchase decision favourably. The last example of political marketing brings to light some important ethical considerations. It is now clear that emotions have a determining effect on decision making and behaviour. Facial expression analysis can now operate using a powerful high-resolution gigapixel camera. These cameras are mounted on tall rise towers or drones and can analyse any passer-by facial expression and emotional states from miles away. Government and corporations can also use such advanced technological toolset. Since allied with artificial intelligence, it has become possible to monitor and possibly alter a person's emotional state in real-time (Soni, Sharma, Singh, & Kapoor, 2019). Facebook was bragging to advertisers about their post monitoring algorithm that was able to detect if teenagers experienced "stressed," "worthless," "useless," "insecure," and a "failure." Their purpose is to micro-target commercials down to instants while young people require a self-assurance enhancement (Machkovech, 2017). Lately, a scientist has focused on using radiofrequency waves such as simple WIFI like signals to measure people's heart rates and emotional states (Adib, 2019). For example, Zhao, Adib, and Katabi (2016) demonstrated that it is possible to infer a person's emotions using standard cell phone signals reflected off of his or her body. Such techniques that use a high degree of signal processing permit to detect a person's emotional state with a degree of accuracy is equivalent to a person attached to an EEG. Amassing data about individuals and manipulating their emotional states without them being aware and giving their consent has been identified as a breach of privacy and human rights (Perry & Roda, 2017; Volovelsky, 2014). Ienca and Andorno (2017), proposed new powers to be added to the chart of human rights "the right to cognitive liberty, the right to mental privacy, the right to mental integrity, and the right to psychological continuity." In immemorial times, the human mind was a sanctuary for personal freedom and self-determination. Today, without regulations, this ultimate refuge may no longer be.

Many social sciences in our current day haven't yet adopted neuroimaging as a daily device or a type of process in their studies. Nevertheless, economics began utilizing neuroimaging methods in its studies – causing the formation of 'neuroeconomics' (e.g., Braeutigam, 2005; Kenning & Plassmann, 2005; Rustichini, 2005). Marketing science has lagged in the waking of the advantages of imaging research, even though marketing and other related fields share many common problems concerning decision making and exchange. Economics has already started utilizing neuroimaging. In recent years they've already coined the term 'neuroeconomics' (e.g., Braeutigam, 2005; Kenning & Plassmann, 2005; Rustichini, 2005). The field of marketing, however, has been much slower to realize the benefits of imaging research. This circumstance is surprising because both subjects were having a lot of common ground in their study. There are many justifications for the absence of picking up brain imaging practices in marketing science. Empathizing with a marketing academic, neurophysiology, and cognitive psychology, commonly, can be daunting topics. There are a few understandable rationales of why marketers haven't recognized the advantages of brain imaging procedures, though. From a marketing point-of-view, neuroscience and cognitive psychology can be frightening and touchy topics.

Moreover, a lot of marketing scholars can see imaging procedures as 'unobtainable' for them in their branches. Nonetheless, usually, this is not the issue; a lot of business scholars work in a much broader perspective, such as a university with many skilled facilities to perform research with brain imaging. The ignorance of scholars, however, may reduce the rate of these imaging techniques to grow within the scholarly community.

In spite of its excellent capabilities, it's evident that preceding implementations of neuroimaging in the marketing narrative exists within the vision of brands and consumer behaviour. Neuroimaging has never been used to explore academic marketing but has been focused on by brands and consumer behaviour. Correctly, EEG is being used and has been used by scholars to accumulate data of reactions to television commercials. For instance, Young (2002) studied if specific instants in ads are mainly responsible for the development of brands and whether those instants are solely responsible for acquiring the attention of the audience. Rossiter, Silberstein, Harris, and Nield (2001) have been interested in using memory and information processing. He has used EEG to convey the fact that certain parts of the brain more easily familiarize specific graphic pictures. Within neuroscience narratives, Ioannides et al. (2000) and Ambler, Ioannides, and Rose (2003) state the outcomes of MEG tests, demonstrating the effects of intellectual and emotional commercials stimulate various cortical centres.

Generalizing these findings, it suggests that various traits or forms of marketing produce substantially different styles of brain activity, perhaps causing disparities in methods of ad productivity. Thus far, these types of studies are incomplete. The choices that consumers make has demonstrated a broad topic for neurophysiological studies, but none has made it into marketing literature yet. Braeutigam, Stins, Rose, Swithenby, and Ambler (2001) and Ambler, Braeutigam, Stins, Rose, and Swithenby (2004) have discovered the distinction among probable and erratic choices, where likely decisions can be linked the incidence of previous use of the item, and the time interval among the selection and exposure to the given commercial or ad. This finding indicates that choice predictability stimulates various areas of the brain. Erratic choices prompt commotion in sections of the brain connected to the judgment of prize and muted vocalization. Differences between genders were also a factor that played into the study. The latest studies suggest that various parts of the brain are linked. This connection stimulates and releases certain endorphins to the body due to the feeling of satisfaction and rewards (e.g., Senior, 2003). These areas of the brain are part of continuous study. Erk, Spitzer, Wunderlich, Galley, and Walter (2002) discovered how specific objects could stimulate the mind more than others.

An example being the purchase of expensive clothes. This purchase associates one to high social value, stimulate that specific part of the brain more than, say, buying sweatpants or slippers. Lastly, McClure et al. (2004) study show that the majority of the test subjects preferred Coke over Pepsi. The results indicated the reaction of the brain once the participants knew they were drinking Coke or Pepsi. Nevertheless, blind tests showed absolutely no difference between the two groups drinking different drinks. Studies like these strengthen the idea that choice-making, although comfortable, is a very intricate subject.

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CHAPTER 7

ETHICAL CONSUMPTION

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Abstract

Concerns about the environment and human well-being due to consumption patterns of consumers leads to the issue of ethical consumption and this has been gaining greater attention both in the business world and the academic world. There are numerous academic papers that have been published on this topic. There are non-profit and/or governmental organizations working on it. So it certainly is worth examining the issue of ethical consumption. This chapter represents an overall understanding of “ethical consumption”. Knowing what ethical consumption is and how to separate it from other related terms are the main aims of this chapter, as there are plenty of concepts such as consumer ethics, green consumption, business ethics in the literature which can be confusing for readers. The history of ethical consumption and the ways consumers choose to become an ethical consumer are discussed. The attitude-behaviour gap is the last headline debated in the chapter. Possible reasons and solutions are mentioned.

Keywords: Ethical Consumption, Attitude-Behaviour Gap, Boycott, Buycott Ethical Fashion, Voluntary Simplicity.

1. Introduction

Consumers are becoming more sensitive to the environmental and social impacts of their consumption (De Pelsmacker, Driesden, & Rayp, 2005; Shaw & Shui, 2002). They have started to reconsider their purchase decisions and consequently attention on ethical consumption is increasing (Bray, Johns, & Kilburn, 2011; Carrigan, Szmigin, & Wright, 2004; Kim & Chung, 2011; Vermeir & Verbeke, 2008). For example, consumers boycott products manufactured using real animal fur, or tested on animals. They also investigate companies' attitudes towards employing and promoting minorities and women (Roberts, 1996 cited in Papaoikonomou, 2009). In response to this conscious consumer (Titus & Bradford, 1996) firms have started to take ethical management seriously by actively promoting environmental protection and human wellbeing (Papaoikonomou, 2009). Ethical dimensions are used as a critical branding strategy by several well-known brands.

As can clearly be seen it has become very important for the business world and also academicians to understand that this consumption behaviour is vital. In this chapter, an attempt is first made to outline definitions of ethical consumption. The second aim is to distinguish it from other related but different concepts such as green consumerism, consumer ethics, voluntary simplifiers, socially responsible consumption and business ethics. Later the history of ethical consumption is presented. Ethical consumption is reflected in many academic and business publications as a new phenomenon but is it really new? The readers will find the answer in this section. In the following part, the question "how can you become an ethical consumer?" is answered. In this part boycott, buycott, fair trade, voluntary simplicity and ethical fashion are the main topics. In the final section, the attitude-behaviour gap is discussed. There is no doubt that everyone has positive attitudes towards ethical consumption and many of us agree that products which care for both the environment and human beings are the best. However when it comes to buying these products, the figures do not agree. There is a gap between attitude and behaviour. The reasons behind this are argued in this section.

2. Defining Ethical Consumption

Before examining more detailed issues related to ethical consumption, it will be useful to understand this concept and distinguish it from the other concepts which may confuse the readers. In the marketing literature, there are some concepts that hold similar meanings with "ethical consumption" or "ethical consumerism" and those words are used interchangeably. Nevertheless, if the real meaning of these terms are investigated, it is seen that they do not

imply the same “thing”. These concepts are green consumerism, consumer ethics and business ethics. So it is worth pointing out the differences between those concepts.

It is argued that the ethical consumer has emerged as a transformation of the green consumer (Smith, 1990; Strong, 1996, 1997; Uusitalo & Oksanen, 2004). Studies about green consumers mainly started to be conducted in the 1970s and the main reason for this green behaviour was the movement of alternative consumers which was appeared during that time (Chatzidakis & Mitussis, 2007). The terms green (Balderjahn, 1988; McDonagh & Prothero, 1992; Peattie, 2001), environmentally conscious (Kinnear, Taylor, & Ahmed, 1974) or ecologically concerned (Neilssen & Scheepers, 1992) consumers are used interchangeably and they describe consumers who are concerned about the environment and who, for this reason, give specific importance to environmental protection not only in their general attitudes but also in their purchasing behaviour. There are various definitions in the literature about who green consumers are. For example, according to Balderjahn (1988) the green consumer purchases environmentally friendly products. Production, distribution, use and disposal processes of these products do not damage the environment or the health of one or others, besides they keep energy, do not induce superfluous waste, and do not employ materials from species which are at risk or that include needless use of cruelty on animals. The green consumer concept is described by Shrum, McCarty, and Lowrey (1995) as “anyone, whose purchase behaviour is influenced by environmental concerns”. Another definition was given by Strong (1996) who states that the green consumer is a person who: “... avoids products that are likely to endanger the health of the consumer or others; causes significant damage to the environment during manufacture, uses of disposal; consumes a disproportionate amount of energy; causes unnecessary waste; use materials derived from threatened species or environments” (Strong, 1996). In conclusion, green consumer behaviour does not just prefer environmentally friendly products and/or avoid products that damage the environmental sustainability when they make purchases but also bears in mind issues such as energy saving (Elkington & Hailes, 1988 cited in Bae, 2012), recycling and composting of household waste (Vining & Ebreo, 1992), using public transportation instead of the car (Gronjoj, 2006).

Chronologically, it is debated that the change from green consumer behaviour to ethical consumer behaviour occurred around the 1990s. According to Fletcher (1990 cited in Papaioikonomou, 2009), the reason for this evolution was the main characteristics of the consumers of the 90s. Compared to the consumers of the 80s those consumers did not make their purchase decision only based on price, quality, delivery or environmental issues, but also on the ethical dimension of their purchase. They were concerned with further topics of

an additional societal welfare nature (Shaw & Shiu, 2002) such as fair trade, social injustice, and human rights (Newholm & Shaw, 2007). Ethical consumers have extra anxiety regarding the “people” themselves and being an ethical consumer implies acquiring goods that are not dangerous to both humanity and environment (Harper & Makatouni, 2002; Strong, 1996). Understanding the main difference between ethical and green consumerism is vital as the latter comprises a wider kind of issues and consequently consumers have a more complicated decision making process (Shaw & Shiu, 2002).

Ethical behaviour is covered in two different areas in consumer research studies: ethical consumer behaviour and consumer ethics (Chatzidakis & Mitussis, 2007; Papaoikonomou, Ryan, & Valverde, 2011). Consumer ethics is described by Muncy and Vitell (1992) as “the moral principles and standards that guide behaviour of individuals or groups as they obtain, use and dispose of goods and services”. Consumer ethics is about how a consumer identifies and behaves when s/he encounters an unethical purchase situation like counterfeiting, pirated software usage, using an expired sales coupon, or altering price labels on goods (Chiu, Hsieh, Chang, & Lee, 2009; Vitell, 2003). Muncy and Vitell (1992) created the most commonly preferred construct for measuring consumer ethics. There are four dimensions on the scale regarding unethical behaviour. The first dimension is “actively benefiting from illegal activities”. There are various examples of unlawful activities in which consumers actively participate when they shop, such as changing a price tag of a product in a store. The following example is again gaining advantage from illegal activities but in a passive way. In this dimension, consumers are in a passive situation but still get an advantage. For example, someone made a mistake to the benefit of the consumer, such as a waiter giving much more change to the consumer by mistake, and this is a benefit for the consumer. The third is getting benefit from doubtful (nonetheless legitimate) actions. Consumers in this situation do this consciously though it is not in itself an illegal activity. For instance, giving back goods to a store by claiming that it was a present even though it was not. The fourth and the last one is “no harm/no foul” actions. In this dimension, consumers think that they do not cause any damage to anyone as mostly intangible products are in question, for example copying of movies or songs. Vitell and Muncy (2005) further developed the scale and added two new dimensions: (1) “doing good deeds” for example saying that a specific invoice has been calculated incorrectly even though it is not to the person’s benefit; and (2) environmental consciousness and recycling, such as recycling products (i.e. cans, bottles).

On the other hand, the ethical consumer is defined by Cowe & Williams (2000 cited in Ratnayake, & Jayawickrama, 2016) as “people who are affected by environmental or ethical

thoughts when selecting goods and services'. They also said that the meaning of "ethical" takes into account other conscientious things such as fair trade and animal welfare, social features as work standards. Another description was given by Harrison et al. (2005 cited in Freestone & McGoldrick, 2008) and according to the authors, ethical consumers take into account the results of their purchase decisions in terms of the how the outcome of this decision affects the world around them. In another words, ethical consumers have an extra anxiety about social issues for example child labour, animal welfare, and safe work conditions (Connolly & Shaw, 2006). According to Crane & Matten (2004, cited in Auger & Devinney, 2007), ethical consumerism is: "the conscious and deliberate choice to make certain consumption choices due to personal and moral beliefs."

Another consumer group is 'voluntary simplifiers' which is different from ethical consumers but usually it is used interchangeably with ethical consumers. The main characteristic of this group is their effort in terms of decreasing their consumption level, and having non-materialistic lifestyles (Connolly & Shaw, 2006). More detailed information is given in the following sections. However, it is worth saying that ethical consumption does not mean reducing the consumption level, it is more about thinking of yourself, people around you and the world when you make a purchase. And also Newholm and Shaw (2007) pointed out the vital association between ethical consumption behaviour and voluntary simplicity and they said that the social and environmental influences of consumption have directed numerous ethically worried consumers to review their marketplace choices. In other words, it might be said that being a voluntary simplifier is one of the ways ethical consumers choose to behave.

Another concept which needs to be distinguished from ethical consumption is socially-responsible consumption. Being ethical and being socially responsible are taken by many as the same and, except for Auger, Devinney, Louviere, and Burke (2008), there was not any attempt to differentiate these two terms. According to them, the act of being socially-responsible is one of the ways for ethical consumption. Also some studies highlighted that one of the characteristics of highly motivated ethical consumers is also about monitoring socially responsible activities (Freestone & McGoldrick, 2008). So again, it can be said that, similar to the voluntary simplifier, socially-responsible consumption is a choice for ethical consumers.

In marketing, there is also a lot of research regarding business ethics and it refers to the implementation of ethical ideologies by firms and taking into consideration stakeholders: workers, customers, suppliers, local community organizations (Stakeholder Theory- Freeman, 1994 cited Bae, 2012). In one study managers were used as sampling unit on business ethics

studies (Cacioppe, Forster, & Fox, 2008). Moreover ethics in consumption is a distinct line of research concentrating on individual consumers. In other words, sampling units which are under investigation are completely different.

As it can be seen, there are a lot of terms that seems to have similar meanings but in reality they are different. Having an understanding of these concepts will be valuable for both academics and the business world and also useful for the remainder of this chapter.

3. Is “Ethical Consumption” A New Phenomenon?

Ethical consumption is generally seen as a new phenomenon, yet, is it really a new concept? It is stated by many authors that ethical consumption has been present in diverse forms for hundreds of years (Cowe & Williams, 2000; Hilton, 2004 cited in Low & Davenport, 2007; Lang & Gabriel, 2005; Micheletti, 2003). However, since the beginning of 1990s, academics, consumers, the business world and public policy makers have given more attention to this concept (Low & Davenport, 2007). Then an important question comes to mind: Why has this ethical consumer movement become such an important topic? What happened in people’s perception and/or in the world? Before answering these questions, it is worth knowing the roots of ethical consumption.

According to one view, as mentioned in the previous section, environmental concern is one of the reasons for ethical consumption behaviour. Anxiety regarding environmental issues has existed since the times of the ancient Greeks (Downs, 1972), so it can be said that the roots of ethical consumption dates back to those times.

As stated by Cowe and Williams (2000 cited in Papaoikonomou, 2009) the seeds of the ethical consumption movement spread with the help of the anti-slavery petition (1783) and ending the slave trade in the colonies (1807). Lang and Gabriel (2005) and Dubuisson-Quellier (2007) mentioned similar views in their studies and said that the free trade movement against slavery was particularly instrumental in establishing the foundation of the modern ethical consumerism.

Terragni (2007) also stated another view that the women’s activism movement is associated with the ethical consumer movement. She said that boycotts, like labour boycotts, were one of the examples for the initial periods of ethical consumer behaviour. Also she gave the “while list” campaign as an example which occurred in diverse European countries and the USA between the end of 1800 and the first years of 1900 in which women played a vital role. The aim of this campaign was to support goods which were produced in the way they

supposed to, in another words, by respecting regulations and at the same time demonstrating against products manufactured under debateable working environments (Terragni, 2007). As Dubuisson- Quellier (2007) said, due to these boycotts and/or campaigns, consumers have become aware that they can join a social group to create new solidarity in the marketplace. As Glickman mentioned, “their understandings of the social consequences of consumption and of the consequent power of long-distance solidarity, while not ends in themselves for these groups, became the means by which modern citizens believed that they could promote social change” (Glickman, 2006, cited in Dubuisson- Quellier, 2007).

Historical and geographical depth of ethical consumption were also mentioned by other authors (Cohen, 2003; Hilton 2003, 2007, 2009; Frank 2000, Micheletti, 2003 cited in Littler, 2011). Without doubt, it can be said that ethical consumption similarly has a long, and at the same time a wide history including for example a “boycott” where Gandhi insisted that individuals “buy Indian” goods in order to fight against British imperialism, or where through the “White Triangle” anti-sweatshop products were sold in the US, or where anti-slavery sugar was sold in Europe (Littler, 2011).

Gabriel and Lang (2015) made a useful classification about ethical consumption history and identified four waves in the history of consumer activism, which gave birth to the ethical consumer movement of today. These waves are called by the authors as follows: the co-operative movement, the value-for-money movement, Naderism, alternative or political activism. The co-operative movement was started in Rochdale in northwest England in 1844, which was the time when industrialization was at its highest point. This movement was started as a response to extreme costs and poor quality products, specifically in food products. The value-for-money movement appeared in its latest peak in the 1930s. Some specific organizations have recently emerged specifically to test goods for price, ease of use, security, task usefulness, toughness, in short, overall value-for-money. Readers are informed about the ‘best buy’ and cautioned regarding the goods which are not best value for the money that they pay. Generally, in the consumer organization’s private laboratories, products are tested independently and a huge amount of money is spent for this reason. The magazines Which? and Consumer Reports are examples of this movement. The third movement of consumer activism, similar to the second one, occurred in the USA. The name of this movement comes from Ralph Nader, a Harvard educated lawyer. Nader published a book under the title of *Unsafe at Any Speed* in 1965. It explains the unknown truths about the car industry. In his book, he wrote something about how automobiles are generally badly designed and have safety problems and he specifically mentioned Chevrolet Corvair as a

brand. In just one night, Nader became a consumer activist hero. The main aim of Nader was to be a consumer activist against the big corporate firms and he succeeded. Nader rapidly expanded his actions, setting up the Center for Study of Responsive Law and the Project for Corporate Responsibility in 1969. In the late 1970s, he formed a series of organizations. By the 1990s, there were 29 organizations founded by Nader or under the Nader umbrella. The shared themes of these organizations were the protection of individuals against corporate giants. According to Naderism it is believed that the consumer is moderately incapable in a world controlled by corporate companies, whether these are car or insurance companies, the health industry or the government–industry complex. Due to its attributes, commerce is in favour of big firms, and regulations and standards are needed to fight with these giants. In order to be a winner in this rigid fight, consumer activists must have some specific characteristics such as being tough, having up to date information, being well prepared and able to make best use of the mass media. The last wave appeared little by little in the 1970s and gained momentum in the 1980s. In 1995 Gabriel and Lang (2015) gave the name ‘alternative consumerism’ to this movement. They said that this fourth wave did not contain just one view like the other three waves, instead it had various components such as green, ethical, Third World solidarity, labour rights, health, animal welfare and fair trade orientations. It is called by the authors as “alternative consumerism” because it has the opposite view compared to mainstream consumerism. This new activism has brought a new thinking like ethical, social and ecological elements, into the marketplace for both consumers and companies. This new movement has been called by some other authors as political activism or political consumerism. The main aim of this fourth wave is to make people aware of consumerism itself, and of its brands, its symbols, its practices and its products; to make individuals not become the slave of consumerism. Even though it is not excluded totally from people’s lives, then at least an attempt can be made to decrease its position by recreating its meaning (Gabriel & Lang, 2015).

As can be seen, ethical consumption is not a new concept and it progressed through the improvement of a consumer culture (Terragni, 2007). The question is, what kind of changes happened in consumers’ lives and why have they seen such a big change?

The change in consumers’ consumption patterns started from the end of World War II. Before this behavioural change, people were more prone to making savings. They would spend money if they had money. For example, they would not buy houses with high mortgage rates and run up vast credit card balances. They could postpone their desires until they could have enough money to gratify them (Buchholz, 1998). During the 1950s, this behaviour

changed and a consumer society was formed. People wanted to satisfy their needs and wants immediately instead of waiting till they had money in hand. What caused this behavioural change? It might be meaningful to start with “Fordism”. The Fordist mode of manufacture dominated the United States from the end of World War II till the late 1970s. Mass production of consumer durable goods was the main feature of Fordism. Companies used economies of scale model to take full advantage of production and decrease the total product price (Jessop, 1994; Jessop & Sum, 2006 cited in Long, 2010). So with the help of companies, consumers satisfied their material needs by choosing the product that had the lowest cost. On these days, “the throwaway society” was created and people started to buy newer goods more quickly than in the past. Packaging also helped people to purchase more easily as with the improvement of packaging, products are considered to be better-looking (Buchholz, 1998). These same changes also occurred in other industrial societies in Western Europe. However, these changes brought negative consequences at the same time. It specifically affected environment and resource usage. In the 1960s, environmental anxiety started and governments made laws regarding environmental protection, especially focusing on pollution control.

In the end of 1970s, Fordism ended and was replaced with flexible production. Consumers started to place importance on quality instead of quantity and non-economic attributes of products (Long, 2010). In order to understand why consumers became more concerned about these non-economic factors, Ronald Inglehart (1977, 1990, 1997 cited in Long, 2010) developed the theory of post materialist values. The Inglehart theory of value change says that there is an extensive move from materialist principles for example economic and physical safety to “post materialist” values such as liberty of speech, citizen participation and quality of life (Dunlap & York, 2008). Inglehart combines two different theories in order to come to that conclusion. These theories are Maslowian-derived “scarcity” hypothesis which implies that people give more importance to “those things in short supply” and the other one is Mannheimian-derived “socialization hypothesis” which says that “one’s basic values reflect the conditions that prevailed during one’s pre-adult years” (Inglehart, 1990 cited in Dunlap & York, 2008). The reason why ethical consumption is more widespread in developed countries may be explained by these theories. People in these societies have already achieved the first stages of Maslow’s pyramid and their need is now self-actualization.

The other reason for the growth of ethical consumption behaviour can be associated with the concept of risk society (Long, 2010; Parkins & Craig, 2006 cited in Newholm & Shaw, 2007; Harrison et al., 2005 cited in Newholm & Shaw, 2007; Papaioikonomou, 2009). This thought was presented by Beck in his book ‘Risk Society: Towards a New Modernity’ (1992)

and additional discussions made in later papers (e.g. Beck, 2006 cited in Papaoikonomou, 2009). Beck (1992, 1995, 1996 cited in Long, 2010) claims that contemporary society is dominated by risk. With the aim of explaining his view he said that in developed countries there are two opposite situations. On the one hand, due to modernization and industrialization, people might satisfy their basic needs, there is no scarcity and therefore there is no reason to fight for it. On the other hand, he says that the industrial society has been exchanged with the new “global risk society”. He said that people are always at risk and gave the examples of CFC’s (Chlorofluorocarbons), the Chernobyl accident and the Katrina disaster (Papaoikonomou, 2009). It is not easy for an ordinary person to understand how most of the products are produced due to complex technologies. Even though it is possible to reach some information about the production, people are most of the time unable to evaluate specific risks and make their purchase decisions based on these risks. As a result of these unknown and increasing societal risks, the ethical consumer movement has speeded up and a new market segment has been born. This new market segment, comprising goods that deliver additional data to consumers about the production history of the product, is a response to unpredictable, uncompensatable global dangers. For example, organic, fair trade, and local food certification and labelling notify consumers about the environmental production conditions (Long, 2010; Papaoikonomou, 2009).

Due to the reasons explained above, consumers started to look for ways for ethical consumption. It is said that there are numerous methods of identifying consumption as ethical and these are discussed in detailed in the following section.

4. How can one become an “ethical consumer”?

Consumers’ consciousness is rising regarding how their consumption habits affect the environment as well as humanity. This concern makes them reconsider their buying preferences. This new consumer category is called ethical consumers (Shaw & Newholm, 2002). An ethical consumer is not a person who is against consumerism. Rather than they encounter two options in their buying process. The first is whether to consume without decreasing their consumption level but being more sensitive about their product choice in terms of ethicality (Shaw & Newholm, 2002). For example, consumers who are in this first group prefer technological solutions for more sustainable consumption choices. Purchasing some green products such as catalytic converters on fuel-economic cars, clockwork radios, superefficient refrigerators, and laundry balls to replace detergents are amongst behaviours displayed by these consumer groups. Also boycott is a solution for those consumers who want to be ethical. In doing so consumers can make positive purchases, such as seeking out

fair-trade products and supporting small stores or local goods. The other option used by ethical consumers is whether to lessen levels of consumption to a more sustainable level through, for instance, being a voluntary simplifier (Shaw & Newholm, 2002).

The important point here to mention is that “what seems good or ethical for one [consumer] may not be so for another” (Cherrier, 2007). In other words what ethical issues each person supports might change and being an ethical consumer does not just mean buying fair trade products and boycotting specific firms due to their unethical behaviours. Based on Elkington’s (1998) well-known concept of a ‘Triple Bottom Line’ in Corporate Social Responsibility, Low and Davenport (2007) identified three common baselines for ethical consumers which are human rights, animal welfare and environmental welfare. Based on these baselines they segmented ethical consumers as ‘animated’, ‘clean’, ‘triple bottom line’ and ‘whole earth’ consumers together with the ethical concerns (animal welfare, environmental welfare, societal welfare) that they mentioned as their bottom line. For instance, ‘whole earth consumers’ will not use goods tested on animals and do not use non-returnable packaging. Other consumers might focus on single subjects such as anti-child labour.

As can be seen, in order to be an ethical consumer there are diverse paths and they will be discussed in more detail in the following subsections.

4.1. Boycotting and Buycotting

It might be interesting for some people that the term “boycott”, comes from the name of a person, Captain Charles Boycott. In the late 19th century, this person, who was an estate agent, was accused of evacuating some tenants. Because of his wrongdoing, Captain Boycott became the target of a collective social movement which was organized to protest. It was especially workers and merchants who reacted and refused to work with him (Oxford English Dictionary, 2016). Immediately after this incident, the word “boycott” was used by the media to symbolize the act of deliberately escaping from a person or business. Even before the word boycott officially became a concept, deliberate avoidance of an asset, product, or brand for political, social, or ethical reasons was not new a behaviour (Kam & Deichert, 2017). As Terragni (2007) stated in her study, particularly labour boycotts, was one of the examples for the initial periods of ethical consumer behaviour which was seen between the end of 1800 and the first decades of 1900.

Monroe Friedman, who has done research on the historical past of boycotts in the United States, describes boycotts as follows: “an attempt by one or more parties to achieve certain objectives by urging individual consumers to refrain from making selected purchases in the

marketplace” (Friedman, 1999, cited in Kam & Deichert, 2017). In general, boycotts work in an organized manner to exclude the boycotted organization from the community in order to meet the demands of the boycotters. Consumer boycotts, more precisely, refer to the refusal to buy a particular good or service tactically to deter the target organization from its objectionable practices (Nonomura, 2017). One might find in history many consumer boycotts. For example, American buyers rebelled for universal rights of liberty in the first half of the 19th century when they boycotted tea and sugar products because in the production of these goods slave labour was used (Glickman, 2004 cited in Gulyás, 2008). Nestlé is another company which was boycotted by consumers because of unethical marketing of infant formula (Friedman, 1999 cited in Gulyás, 2008). Nike is another company faced with a boycott problem. A 1991 report on human rights activists documented the low wages and poor working conditions in Nike-related factories. Harper’s Magazine, published in 1992, also announced such news about Nike. In this article, from the inhumane working conditions of Nike in Indonesia, to lower wages than the minimum wage, workers’ unionization, overtime and dangerous working conditions and child labour were mentioned (Ballenger, 1992). Such news about Nike began to spread after the mid-1990s. At that time, university students began to establish boycotts about the brand. Michael Jordan was criticized for being paid \$20 million in endorsement fees, while factory employees received 45 cents per hour. The other examples comprise boycotts of British salt and cloth in India which Gandhi was the pioneer of this action (Smith, 1990 cited in Klein, Smith, & John, 2004) and Shell boycott in Europe due to the strategy to sink the Brent Spar oil platform at sea. As these examples show, boycotts nowadays focus extra on institutional performs than on broader socio-political objectives for example civil rights (Klein et al., 2004) and boycotts are frequently preferred as one of the greatest effective consumer activities contrary to businesses busied in unethical or unfair actions (Makarem & Jae, 2016). If it is looked at how boycott organizations impact consumer attitudes and purchase intention towards the company and its products in question, it was found that, as expected, it affects in a bad way (Ettenson & Klein, 2005; Klein, Smith, & John 2002). Accordingly, the targeted company’s financial performance and image are badly damaged (Klein et al., 2004).

There is another term which is related to boycott, “buycott”. The word “Buycott” is a combination of the word “buy” and “boycott” (Kam & Deichert, 2017). ‘Buycott’ describes the action of a customer who purposely tries to consume goods from a business since it mirrors his/her values. Such consumers, when shopping, pay attention to anti-sweatshop labour, fair wages, organic and sustainable production, and animal-safe testing, reflecting a

shift toward ‘post-materialist’ values (Acik 2013; Inglehart 1977 cited in Nonomura, 2017; Micheletti & Stolle 2008).

In the literature, it can be found that many academicians have approached boycotting and boycotting as an equal action, imagining that these two behaviours indicate a single behaviour (Newman & Bartels, 2011; Shah et al., 2007; Stolle, Hooghe, & Micheletti, 2005; Strømsnes, 2009). Nevertheless, there are fundamental discrepancies between the two concepts. Friedman (1999 cited in Copeland, 2014), the first person to make a detailed study on this subject, mentions the differences between the two concepts. According to him, the basic differences are in the degree of discussion, the kind of organizing and how much the media gives attention to these concepts. He said that in boycotts, with the aim of punishing companies, consumers withdraw their support deliberately from them. They challenge companies to make modifications regarding unpleasant or unwanted business actions by damaging the companies. On the other hand, consumers who boycott want to be customers of some companies in particular. “Fair trade”, “sweatshop free”, “buy local”, “not tested on animals”, “environmentally friendly”, “organically made” are just some of the sayings and slogans that consumers see in their everyday consumer activity and it is said that if one is deliberately choosing products or services for these labels or slogans, one is also adopting the behaviour of boycotting and making an ethical consumption.

As seen from these examples, fair trade is beginning to emerge as an equally influential category of ethical products (Moore, 2004; Nicholls, 2002, 2004; Renard, 1999; Strong, 1997; Tallontire, 2000, 2002).

Specifically for emerging countries in the third world traditional trade regulations have not been satisfactory (M.I. Khan, Khan, & Haleem, 2019). These countries do not have advantages in the production of agricultural products as the countries in developed nations do, but they also have an absolute disadvantage when trading in these products. Therefore, they are damaged due to global free trade of agricultural products (Skarstein, 2007 cited in Wang & Chen, 2019). These inequalities between developed and developing countries have created the fair trade movement. For this reason, “fair trade” indicates a guarantee of the equity for parties involved in trade (Moore, 2004 cited in Rashid & Byun, 2018). The World Fair Trade Organization (WFTO, 2019) describes fair trade as a “trading partnership, based on dialogue, transparency and respect that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South”. The pioneers of the fair trade movement are non-profit and cooperative organizations and in the literature

they are often mentioned as “Alternative Trading Organizations” (Becchetti & Huybrechts, 2008). How fair trade products are distributed is the responsibility of mainly those non-profit organizations. The products are bought by these organizations from producer groups in emerging countries with the aim of selling them through particular shops and retail outlets in developed countries (Gonzalez de Juan & Khanter, 2014 cited in Pérez, Garcia de los Salmones, 2018). The reason for the existence of fair trade organizations, for example the International Federation for Alternative Trade (IFAT) and the Fair Trade Labeling Organization International (FLO), is to control the fair operations and rights of workers in emerging countries and to inform consumers of ethical issues in supply chains (Moore, 2004 cited in Rashid & Byun, 2018).

With the purpose of doing business in fair trade markets, fair trade labels are needed for alternative trade organisations or producers to distinguish their products from the rest. This labelling also helps consumers to understand the differences between competing product options and also gives them comforts in terms of selecting the most environmentally, socially acceptable option (Castaldo, Perrini, Misani, & Tencati, 2009). With the aim of giving this label, the Fairtrade certification agency established the standards that must be fulfilled by the products (Steinrücken & Jaenichen, 2007). Fair trade certifications give warranty that goods are produced within the boundaries of ethical values such as economic, social and environmental criteria that are established by those fair trade agencies. The fundamental economic aim of this movement is that fair trade manufacturers get in any case a minimum amount of money which will help them covering the cost of manufacturing (Loureiro & Lotade, 2005).

These ethical certifications are also communication tools for brands which promote ethical principles (Carrington, Neville, & Whitwell, 2010). However, studies showed that it is not easy for consumers to distinguish fair trade label on the products as there are more recognizable items on the packages for instance nutrition and ingredient information, brand name, or price (De Pelsmacker et al., 2005; Obermiller, Burke, Talbott, & Green, 2009). There is an interesting result regarding these kinds of ethical certifications. Ethical trait evidence delivered by those certifications is expected to be distinguishable by consumers in countries where corporate social responsibility campaigns are well spread. In other countries where corporate social responsibility activities are not so common, consumers may be less informed about ethical qualifications and consequently it may be more possible to neglect products’ ethical characteristics (Mukherjee & Hoyer, 2001). Also there are other studies showing that consumers tend to have fewer favourable attitudes concerning goods produced

in emerging countries, nevertheless this approach may change once the brand displays fair trade messages on its goods (Rashid, 2017; Rudell, 2006).

Even though some studies found that implementing fair trade principles may increase the product price (Campbell, Heinrich, & Schoenmüller, 2015; Hustvedt & Bernard, 2010), Loureiro and Lotade (2005) concluded that consumers were keen to pay extra for coffee labelled as fair trade than for coffee labelled, for instance, organic. Other academics have inspected fair trade labels on buying purpose of consumers concerning premium-priced products (Loureiro & Lotade, 2005; Rashid & Byun, 2018). It was found that the rise in the price of fair trade products is observed as reasonable by buyers and does not have an undesirable influence on buying behaviour (Campbell et al., 2015).

4.2. Voluntary Simplicity

In addition to the individuals limiting their consumption because of financial inadequacy, there are consumers who deliberately consume less although they have sufficient financial means. There are extensive studies concerning the diverse lifestyles or groups of those people. Anti-consumption, frugal consumption and voluntary simplicity are the main headlines studied under this topic (Chatzidakis & Lee, 2013; Elgin & Mitchell, 1977; Lastovicka, Bettencourt, Hughner, & Kuntze, 1999). Iyer and Muncy (2009) said that from those, voluntary simplifiers are a particular group who commonly decrease their total levels of consumption. Gregg (1936 cited in Chang, 2018) was the first person who introduced this concept. After that several definitions were made regarding who those voluntary simplifiers actually are (Johnston & Burton, 2003). A lot of researchers (Ballantine & Creery, 2010; Craig-Lees & Hill, 2002; Etzioni, 1998; Huneke, 2005; Iyer & Muncy, 2009; Zavestoski, 2002) studied this topic and said that the main aims of those voluntary simplifiers are to decrease their consumption level, give away items that they have and choose to live a less materialistic life. One of the important points to mention here is that these people are financially well-off, highly educated and have good jobs (Craig-Lees & Hill, 2002; Etzioni, 1998; Huneke, 2005; Zavestoski, 2002). Thus this means that even though they are in a financially good position, they still deliberately prefer to consume less or the reason for their behaviour is not due to changing economic environments (Iyer & Muncy, 2009). As Craig-Lees and Hill (2002) mentioned in their study, “Voluntary simplifiers have access to resources such as wealth, education and unique skills that could be traded for high income”. For these reasons, Zavestoski (2002) said that voluntary simplicity should be taken as a belief system and a behaviour. And also some researchers said that (Peyer, Balderjahn, Seegebarth, & Klemm, 2017) searching for a spiritual life is the main motivation for those voluntary

simplifiers and this feature may distinguish them from people whom motivations are environmentalism and social responsibility (Chang, 2018). In conclusion, voluntary simplicity is a belief system and a practice which includes choosing to decrease material consumption (Zavestoski, 2002).

If one were to look at the particular activities made by those people, it might be seen that they decrease their overall consumption practices by, for instance, using a communal laundry, changing their transport preferences such as cycling or car sharing, reusing and repairing goods with the aim of increasing their life span, buying second-hand products, or making clothing and household furnishing by themselves (Alexander & Ussher, 2012; Arens et al., 1995 cited in Shaw & Moraes, 2009; Ballantine & Creery, 2010; Cooper, 2005; Dobscha, 1998; Durning, 1992 cited in Shaw & Newholm, 2002; Papanek, 1995 cited in Shaw, & Moraes, 2009; Pendle, 2000 cited in Shaw & Newholm, 2002). Also the study conducted by Shaw & Newholm (2002) showed that choosing a simplified diet or vegetarianism life style, consuming organically produced goods and avoiding processed or genetically modified foods are the other activities preferred by voluntary simplifiers. Alexander and Ussher (2012) also found that organic, local, fair trade, and green products are the goods that simplifiers prefer spending their money on, and also they use renewable energy and long-life products. They also usually have a more activist approach such as boycotting and buycotting compared to non-simplifiers (Nelson, Rademacher, & Paek, 2007; Shaw & Moraes, 2009; Zamwel, Sasson-Levy, & Ben-Porat, 2014).

So what are the motivations behind voluntary simplicity? This is an important question to be answered by academia. If one does not know the factors that make consumers choose this way of life one cannot serve them properly as a marketer. In the literature, concerns regarding environment, health or religion related matters, ethical anxieties about consumption, human values, unhappiness with high-stress lives, and general anticonsumption attitudes, consideration of future consequences are some of the reasons mentioned (Chang, 2018; Craig-Lees & Hill, 2002; Ebreo & Vining 2001; Kortenkamp & Moore, 2006; Milfont & Gouveia, 2006; Ottman, 1995; Pierce, 2003 cited in Huneke, 2005; Shaw & Newholm, 2002; Strong, 1997).

Also Maslow's Hierarchy of Needs is used by some academics to explain voluntary simplicity behaviour (Etzioni, 1998; Huneke, 2005; Zavestoski, 2002). As is well known this theory says that physiological needs, which are at the lowest level of a hierarchy, must be satisfied first, then love needs will appear, followed by the need for esteem including self-esteem and esteem from others. Maslow said that "if all previous needs are relatively met

humans will feel a “new discontent and restlessness ... unless the individual is doing what he is fitted for” (Maslow, 1943b, cited in Huneke, 2005). This is called the need for self-actualization. Etzioni (1998) states that Maslow’s hierarchy clarifies why while some people prefer voluntary simplicity and others do not. According to him, voluntary simplicity is preferred by those whose lower level needs are satisfied and move to the top level of hierarchy and he gave a good example about it: “Voluntary Simplicity is thus a choice a successful corporate lawyer, not a homeless person, faces ...”. As it is declared that self-actualization is at the top of this hierarchy, according to Zavestoski (2002) self-actualization has two separate aspects: the need for efficacy and the need for authenticity. An individual’s needs might be satisfied through consumption except authenticity.

The degree to which a person chooses a lifestyle of voluntary simplicity differs because of the motivations this person has behind her/his behaviour. There are some academics who specifically studied these different segments of voluntary simplifiers. Elgin and Mitchell (1977) were the pioneers in this topic and they identified four categories of voluntary simplicity: full, partial, sympathizers, indifferent, unaware, or opposed. After these researchers, Etzioni (1998, 1999 cited in McDonald, Oates, Young, & Hwang, 2006) followed their study and outlined three groups: downshiffters, strong simplifiers, and holistic simplifiers. Downshiffters do not usually decrease their consumption; instead they look for different consumption. Strong simplifiers decrease their consumption level, change their lifestyles; for example they change their job if they have too much stress, and prefer spending their time with family and on leisure. The last category is holistic simplifiers. People in this group wish to be part of the simple-living movement and their consumption is decreased and motivated by social, ethical, and environmental values (McDonald et al., 2006). Researcher who identified voluntary simplifiers based on their motivations are Leonard-Barton and Rogers (1980 cited in Bekin, Carrigan, & Szmigin, 2005). Three groups were identified by the authors which are named as Conservers, Crusaders, and Conformists. Huneke (2005) found two groups in his study. The first group, which is called extremely dedicated simplifiers, is compared to individuals who are less dedicated. He found that highly committed individuals have more regular practices even though they need a continuing effort to behave in this way. McDonald et al. (2006) said that particular interest should be given to individuals who are between the two extreme groups. They labelled this groups as beginner voluntary simplifiers (BVS). The main characteristics of this group are that they do care regarding their own consumption levels but they are not against consumption.

Studying and knowing the characteristics of voluntary simplifiers is important for marketers. This new consumption effort cannot be overlooked by marketers, as green consumption and resource conservation are important issues in marketing (Chang, 2018). Today, microsegments are becoming important and satisfying the needs of this particular group before the competitors is a significant asset for the success of a company. Also as trend watcher Gerald Celente mentioned, “Voluntary simplicity, an unrealizable counterculture ideal in the ‘70s, will become a reality and a significant trend in the new millennium (Celente, 1997, cited in Craig-Lees & Hill, 2002). For this reason, with the aim of advancing marketing strategies on this new micro segment, understanding them is very important.

4.3. Ethical Fashion

The fashion industry is criticised in social dimension because of working conditions, sweat shops and child labour engaged by companies such as Nike, Gap and Levi Strauss (Shen, Wang, Lo, & Shum, 2012). Consequently, academics and the business world pays attention on how companies can become ethical (De Brito, Carbone, & Blanquart, 2008; Lueg, Pedersen, & Clemmensen, 2015; Seuring & Müller, 2008; Turker & Altuntas, 2014). Additionally, consumers’ increasing awareness about these issues since the 1980s created an ethical fashion concept (Emberley 1998 cited in Joy, Sherry, Venkatesh, Wang, & Chan, 2012; Moisander & Personen, 2002; Shen et al., 2012). Consequently, ethical consumption has entered the fashion industry and the demand towards ethical fashion is now growing (Domeisen, 2006).

Concerns regarding the negative influences of the applications in the fashion business on environmental and social areas are increasing (Birtwistle & Moore, 2007; Carter & Rogers, 2008; Fineman, 2001; Jackson, 2004; Niinimaki, 2010). If the environmental practices in the fashion industry are examined, big amounts of chemical materials are needed during processes for example dyeing, tanning or finishing applied in the production stage and this creates an adverse effect on the environment (Caniato, Caridi, Crippa, & Moretto, 2012). If the production of a cotton T-shirt is taken as an example, it is said that 10% of the annual worldwide usage of all synthetic pesticides is used during the cotton production (Gam, Cao, Farr, & Kang, 2010). An important volume of gasoline is spent between the parties in a supply chain or in the process of delivery from the members of supply chains to final consumers, which is seriously damaging the environment (Fletcher, 2013 cited in Da Giau, et al, 2016). Also it is mentioned by some authors that dry cleaning and home laundry might have environmental damage due to chemicals used during these processes (Chouinard & Brown, 1997).

Ethical fashion is defined by Joergens (2006) as “fashionable clothes that incorporate fair trade principles with sweatshop-free labour conditions while not harming the environment or workers by using biodegradable and organic cotton”. When ethical fashion is mentioned, companies usually prefer, for example, environmentally friendly, recycled materials and organic fibres, which obey the rules regarding fair trade (Joergens, 2006). However, in the literature there are some other terms which are used interchangeably with ethical fashion and this makes consumers confused. In order to make a clear distinction, a taxonomy is recommended by Mintel, a UK market research company (Magnussen, 2009 cited in Carey & Cervellon, 2014), and they said that all of these concepts must be gathered under a single umbrella term – “ethical fashion”. So what are these distinct conceptions? As mentioned above ethical clothing is about thinking about both the environment and people during their production and trade. Eco clothing means producing all clothing using environmentally friendly procedures such as producing organic textiles and using sustainable ingredients. Organic clothing implies producing clothes where a minimum amount of chemicals is used with minimum damage to the environment during the production process.

It is said that one of the main reasons why ethical consumption in the fashion industry has become popular in recent years is because of fast fashion (Chan & Wong, 2012; Joy et al., 2012; Paulins & Hillery, 2009 cited in Shen et al., 2012). The main philosophy behind fast fashion business model which is used by Zara, H&M, GAP, is producing fashionable items in a very short time, and increasing the number of fashion seasons with lower cost materials and labour (Bhardwaj & Fairhurst, 2010; Fletcher, 2010 cited in Jung, & Jin, 2014) and this movement has controlled the clothing business since the turn of the twenty-first century (Wiggin, 2008 cited in Carey, & Cervellon, 2014). Because of this low price, fashion consumption of consumers is increasing. (Cline, 2012 cited in Jung, & Jin, 2014). Together with low pricing strategies, reduced durability in products and quick fashion make people buy more than one item of clothing at a time (Fletcher, 2010 cited in Jung, & Jin, 2014). Also in order to stay in the market, some retailers have started to sacrifice ethical standards such as fair working practices (McAspurn, 2009 cited in Carey & Cervellon, 2014).

As a result, some designers in the UK have started a new movement in reaction to this cheap, homogenous and quantity focused fashion, and they called it “slow fashion” which means a slow and more sustainable style to designing and producing clothes (Jung & Jin, 2014). The “slow fashion” movement was first introduced by Fletcher in 2007 (Jung & Jin, 2014). The logic behind this movement is similar to that of slow food, founded by Carlo Petrini in Italy in 1986 (Jung & Jin, 2014) with the aim of responding to fast food and fast

life, the disappearance of local food traditions (Heitmann, Robinson, & Povey, 2011). The slow food movement says that “all citizens have rights to enjoy clean (unpolluted), fairly traded food that has been produced in a sustainable manner with consideration for all stakeholders, including the animals being eaten and the planet itself” (Heitmann et al., 2011). In the same manner, the aim of slow fashion is to take into account environmental and social sustainability during clothing production and the trade process, producing attractive and sensible goods at a lower speed (Clark, 2008; Fletcher, 2010). It does not mean slowing down the textile and apparel supply chain speed (Clark, 2008; Fletcher, 2010). As Fletcher (2007) said this is a socially conscious movement which aims to make consumers place emphasis on quality rather than quantity and buy less often but prefer high quality items. A study made by Jung and Jin (2014) showed that for slow fashion consumers, authenticity and craftsmanship are more important. According to Clark (2008), “the slow approach offers more sustainable and ethical ways of being fashionable that have implications for design, production, consumption and use”. Recent studies have shown that consumers’ concerns are increasing in the fashion market (Joergens, 2006; Shaw, Hogg, Wilson, Shiu, & Hassan, 2006; Valor, 2007) and therefore it is appropriate to examine slow fashion thought in more detail (Pookulangara & Shephard, 2013).

When one looks at consumer attitudes towards ethical fashion, the literature indicates that consumers are conscious regarding the ethical issues in the industry and also they have positive attitudes towards companies who have ethically produced products. However when it comes to purchase of these ethical fashion products, it is found that instead of ethical features, a product’s visual appearance is more important for consumers (Gam, 2011). This situation is called in the literature “attitude-behaviour” gap and it will be discussed in detail in the following section. However there are some studies showing that if the ethical dimensions of these products are clearly realized by consumers, it is more probable that those products will be bought (Dickson, 2001). The absence of knowledge regarding the social and environmental effect of consumer behaviour is also the other reason for this gap (Morgan & Birtwistle, 2009). Another study (Choi et al., 2012) found that consumers are ready to support ethical fashion products but they do not have enough knowledge about them. In other words, in order to increase awareness, educating consumers is essential. As Da Giau et al. (2016) highlighted, the web is the dominant communication channel used in sustainability initiatives. Social media channels are the most widely used initiatives to reach a broader audience and to allow companies to reach consumers who were interested in this subject before (Han et al., 2017 cited in Vehmas, Raudaskoski, Heikkilä, Harlin, & Mensonen, 2018). Marketers of

these ethical clothing products are strongly recommended to use social channels to educate and reach their target market.

As there is no doubt that clothing production affects the environment and human well-being, and in order to overcome the social and environmental challenges facing the industry, consumers, designers, retailers and other stakeholders in the industry need to take responsibility all together.

5. Are you really ready to buy ethical products? (Intention – behaviour gap in ethical consumption)

In recent years, there is no doubt that popularity of ethical consumerism has been increasing and this has made researchers understand ethical consumer behaviour by trying to develop and understand new models concerning this subject. These models are built on present attitude-behaviour models (Arvola et al., 2008; Chatzidakis, Hibbert, & Smith, 2007; Shaw & Shiu 2003; Vermeir & Verbeke, 2008). Ajzen's (1985) Theory of Planned Behaviour is one of the models used in ethical consumer behaviour (Chatzidakis et al., 2007). The main proposition in this theory is that a person's attitudes and subjective norms describe his/her behavioural intention. It is assumed that people act the way as they are expected to act. However, researchers found that even though consumers have positive attitudes regarding the issue, when it comes to purchasing these ethical products, the number of people who buy them is really a small percentage (Auger & Devinney, 2007; Belk, Devinney, & Eckhardt, 2005; Boulstridge & Carrigan 2000; Carrigan & Attalla, 2001; Carrington et al., 2010; Shaw, Shiu, Hassan, Bekin, & Hogg, 2007). This difference between attitude and actual behaviour is called the attitude behaviour gap (Boulstridge & Carrigan 2000; Carrigan & Attalla, 2001; Sheeran, 2002). Cowe and Williams (2000 cited in Papaoikonomou, Ryan, & Ginieis, 2011) called this situation as "the 30:3 syndrome". It means even though 30% of the consumers say that they will purchase ethical products, just a niche of 3% really purchases them.

In ethical consumerism literature, with the purpose of finding solutions to this gap, two perspectives are suggested by academicians (Newholm & Shaw, 2007). The first view says that the reason behind this disparity between attitudes and actual buying behaviour is because of the methodological approaches that are used to evaluate consumers' ethical product buying intentions (Auger & Devinney, 2007; Carrigan & Attalla, 2001) as sometimes a self-reported survey is employed. According to these authors, in studies including those on ethical issues, attitudes and intentions, people try to give socially acceptable "right answers". For this reason some studies have been conducted using qualitative research methods in order to overcome

this problem (Bray et al., 2011; Chatzidakis et al., 2007; Chatzidakis, Hibbert, Mittusis, & Smith, 2004; McDonald et al., 2006; Moraes, Carrigan, & Szmigin, 2012; Shaw, McMaster & Newholm, 2016; Wiederhold & Martinez, 2018). In the second perspective, researches try to identify factors that influence this attitude-behaviour gap directly and indirectly (Boulstridge & Carrigan 2000; Carrigan & Attalla 2001; Chatzidakis et al., 2007; De Pelsmacker & Janssens, 2007; Papaoikonomou, Ryan, & Ginieis, 2011; Shaw & Shiu, 2002; Vermeir & Verbeke, 2008).

When looking at the literature to find out the reasons behind this attitude behaviour gap it is seen that information is one of the mostly mentioned factors which prevent consumers from buying ethical products. It is found that consumers prefer better product labelling, gaining information regarding the production process of the goods easily and at the same time not wanting to be exposed to too much information (Carrigan & Attalla 2001; Papaoikonomou, Ryan, & Ginieis, 2011; Sen & Bhattacharya 2001; Shaw & Clarke 1999; Uusitalo & Oksanen; 2004). Another problem about the information is consumers' concerns about quality and credibility of the existing information (Papaoikonomou, Ryan, & Ginieis, 2011). Consumers do not distinguish clearly between firms which are truly ethical and those which are not and this makes them worry (Carrigan & Attalla, 2001; Folkes & Kamins, 1999). Current ethical products' high prices is mentioned as another reason for the gap (Papaoikonomou, Ryan, & Ginieis, 2011). Also consumers highlighted their dissatisfaction with these products in the study of Papaoikonomou, Ryan, and Ginieis (2010) and this result is consistent with previous findings (Carrigan & Attalla, 2001; Hamzaoui Essoussi & Linton, 2010). Consumers have anxiety about the quality of ethically produced goods and it is suggested that without improving the utilitarian value or decreasing functional risk, marketing of these products might be difficult.

6. Conclusion

There is no doubt that ethical consumption is increasing all around the world. People are becoming more conscious and aware of how the environment and human well-being are affected due to their consumption decisions. Many firms have begun to pay attention to these anxieties of consumers and they have made changes in their missions, visions, value statements, products' content and even packaging.

Even though this phenomenon gets an important place in consumers' life, the business world and academia, there is still confusion about what exactly ethical consumption is and how it differs from other terms related with it. In order to show what this concept comprises

of, the other related ones defined firstly which are green consumer, consumer ethics, voluntary simplicity, socially-responsible consumption and business ethics. After making clear what those terms are, what kinds of activities are included in ethical consumption, and whether or not is it really a new concept are discussed. The studies showed that ethical consumption is not a new phenomenon and it has a long history.

Also our studies showed that there is an attitude-behaviour gap in ethical consumption which means that people have positive attitudes towards it but they hesitate buying these products. This might make this topic reasonable to study. It is believed that, specifically for marketing managers, knowing the possible factors behind the gap is really important. This is because markets are becoming more fragmented, and producing goods to satisfy even just one person better than competitors is really vital for companies. Knowing this specific segment deeply, understanding their fears, hesitations and motivations can give a competitive advantage to firms.

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CHAPTER 8

THE COLOR OF THE FUTURE IN MARKETING IS GREEN

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Abstract

Green Marketing refers to efforts that in the production and marketing of products and services cause less harm to the environment. It is now difficult to open up to local or international markets and to gain competitive advantage over rivals. In this sense, it became necessary to meet the expectations of the consumers and to adapt to the changing world. Today, as environmental problems increase, the consumers' expectations from businesses have changed. Green consumers are generally defined as individuals who adopt environmentally friendly behaviors and / or buy green products among standard alternatives. It is important to create a good image as an environmentalist company in the consciousness of consumers and society, to be environmentalist from the production of the products to putting them on market and to improve recycling. In other words, the creation of the Green Marketing Mix (4P) enables the business process to reach the green goal. Green product refers to the process of environmentally friendly, quality and recycling oriented processes in the emergence of the product. Green price refers to the expenditures in the manufacturing processes up to the presentation of the product affect the purchasing behavior of the consumer. Green distribution refers to the business activities such as logistics carried out required in delivering the product to the market with the least harm to nature. Green promotion is the introduction of a green product and the transfer of environmental information to consumers through the right connections in the field of green product in its corporate activities. Within this process, green strategic marketing is the planning and policy making process by including the green factor in the marketing strategies of the enterprises. In this sense, this study focuses on the green marketing, green marketing mix, green consumer concepts, green marketing strategies and global green practices.

Keywords: Marketing, Green Marketing, Green marketing mix, Green Consumer, Green Marketing Strategies.

1. Green Marketing Concept

Since green marketing means the inclusion of environmental dimensions in marketing activities, researchers have defined green marketing using several terms such as ecological marketing, sustainable marketing, environmental marketing and responsible marketing (Crane, 2000; Polonsky, 1994). However, although the social marketing and sustainable marketing concepts are related to green marketing, they can be said to be different from each other. While green marketing envisages a more efficient use of available resources and minimizes harmful impacts on the environment; sustainable marketing refers to activities that predict a specific problem to be solved in the future without negative effects (Aftab Usman, 2017). On the other hand, social marketing draws attention to global concerns rather than the problems of a society with a more holistic and permanent perspective to see the relations between society and the environment (Abzari, Safari Shad, Abedi Sharbiyani, & Parvareishi Morad, 2013). Although these three concepts are separated from each other, they can say that the environment is the common point of these concepts.

In 1975, the American Marketing Association (AMA) made its first definition of green marketing vis-à-vis politicians, business managers and other participants. According to this definition, the concept of green marketing is the branch of science that studies the positive and negative aspects of marketing studies, energy consumption and consumption of consumable resources (Choudhary & Gokarn, 2013; Uydacı, 2011). The AMA also defines green marketing in three different ways. The first one is the definition of marketing of products that are assumed to be environmentally safe. Secondly, green marketing is characterized as the advancement and showcasing of products intended to limit or diminish the nature of unfriendly impacts on the earth. According to this definition, social marketing approach is taken into consideration. As to the third definition, it is the efforts of organizations to produce, develop, pack and retrieve products that take into account or are sensitive to ecological concerns (Choudhary & Gokarn, 2013).

Environmental marketing, as actions that aim to fulfill the current needs and have the least harmful impact on our environment (Rahbar & Abdul Wahid, 2011). Green marketing includes all the activities created to trigger and support the ecological behavior of consumers (Jain & Kaur, 2004). According to Hartmann and Ibáñez (2006), green marketing generally focuses on the effectiveness of cognitive persuasion strategies, and it is believed that the high level of consumer involvement in environmental issues is an impact of increased environmental knowledge. While “environmental awareness” is used for the cognitive dimension of environmental attitudes or environmental beliefs,

“environmental anxiety” refers to emotional tendencies such as individual anger about the destruction of nature.

The term “green marketing” is used to describe the attempts of marketers to develop strategies aimed at “green consumer”. It is emphasized that environment-based product positioning should be an important issue in consumer marketing. Green marketing is becoming an increasingly popular marketing idea (McDaniel & Rylander, 1993). Green marketing is the promotion or marketing of an environment friendly product (Lee, 2008). The late 1980s are identified as the first stage in which “green marketing” was introduced and discussed in the industry (Peattie & Crane, 2005).

Definitions have a common focus that takes into account and minimizes environmental damage in the process of change. Generally, researches are of the same opinion on the marketing of products and companies that support the environment (Pandey, 2016). It is not clear whether these definitions and related applications, which aim to improve the life quality or natural life of all individuals, and whether the researches were conducted for this purpose (Crane, 2000; Polonsky, 1994). Some definitions refer to an environmentally “safe” or “sustainable” production, while others try to reduce a company’s “carbon footprint”. In both cases, green marketing requires more than just providing an environmentally friendly product (Lyon & Montgomery, 2015; Pandey, 2016). Therefore, the definition of the green marketing concept should integrate changes that create value for both individuals and society, as well as for nature (Polonsky, 2011).

Chamorro and Bañegil (2006) point out that a “new competition game” is played in the objective of green marketing because it intervenes in the relationship of change between the three parties: the company, customer and environment. In this sense, rather than understanding the relationship of the trade change, green marketing is a way of understanding the relationship between society and the company (Chen, 2008). It emphasizes the reasons for the adoption of green marketing, increasing corporate image, increasing product value, increasing competitive advantage and adapting to environmental trends. In addition, the undertaking of green marketing by the enterprises may affect the purchasing intent of the customers (Chen & Chang, 2012).

Green marketing is closely related to industrial ecology and environmental issues like accountability of extended producers, eco-efficiency, etc. For this reason, green marketing has a significant impact on business strategy and public policy. Generally, terms such as phosphate-free, recyclable, refillable, ozone-friendly and environment-friendly are some of

the concepts most frequently associated by consumers with green marketing (Prakash, 2002; Singh & Pandey, 2012). For example, there are “specialized” facilities around the world that are beginning to identify themselves as “eco tourist” facilities, that is, experiencing nature or minimizing their environmental impact (Polonsky, 1994).

2. The Emergence of Green Marketing

The roots of green marketing go back to the 1970s environmental concern, which introduced the concept of “ecological marketing”. This concept was widely related to developing new technologies to mitigate specific environmental problems and industries with the most serious environmental impacts. Especially in the 1990s, sustainability of marketing began to be discussed seriously (Peattie & Charter, 2003).

The development of green marketing has grown steadily over time. This development can be explained by different evolutions. According to Peattie (2001), there are three long periods in the evolution of green marketing. The first stage is known as the ecological stage. At this stage, all marketing activities are carried out to resist the increasing environmental problems and to propose solutions to these problems. The second stage is called the environmental stage as after the environmental problems, and it focuses on the application of cleaner technologies. This stage has also led to the discovery or invention of products that will improve the environment or at least not increase existing problems. The last phase is called the sustainable phase of green marketing, which is still valid. This phase emerged in the late nineties and early twenties (Choudhary & Gokarn, 2013).

The advancement of green advertising is an essential condition for the manageability of human needs and nature (Kilbourne, 1998). Green revolution, switching into green, environmental protection, sustainable lifestyle, sustainable development, protecting our world and many more have become a natural phenomenon in our daily lives. This development requires a good analysis of how green marketing differs from traditional marketing. These differences between traditional and green marketing can be summarized follows in Figure 1:

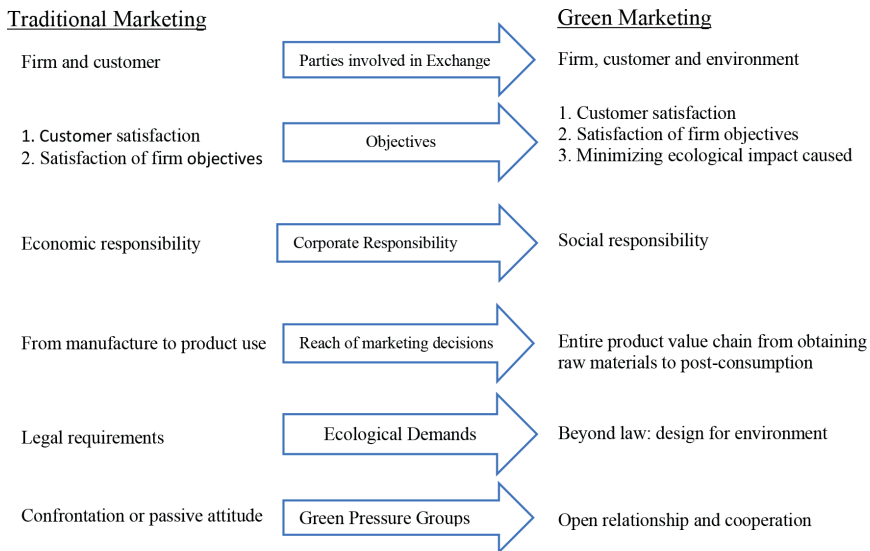


Figure 1: Distinguishing Traditional Marketing and Green Marketing

Source: Adapted from “Green marketing philosophy: A study of Spanish firms with ecolabels”, by A. Chamorro, and T. M. Bañegil, 2006, *Corporate Social Responsibility and Environmental Management*, 13(1), p. 13.

The past years have witnessed a rapid economic growth by increasing the consumption of consumers around the world. This leads to environmental degradation through excessive consumption and use of natural resources. The rapid growth in the economy and the consumption and consumption patterns of consumers worldwide are seen as the main causes of environmental degradation. The consequences of this deterioration are global warming, depletion of the ozone layer, pollution of seas and rivers, noise and light pollution, acid rain and desertification (Chen & Chai, 2010). Approximately 40% of the environmental degradation has been observed to be caused by the consumption activities of private households, and as long as environmental degradation continues, it has become a lasting concern in developed countries and has recently made developing countries green for the protection of the environment (Grunert, 1993).

Green marketing includes marketing (development, differentiation, pricing and promotion of products and services) activities that meet the environmental needs of customers without damaging nature. Consumers are more willing to buy eco-friendly products. Therefore, reliable information should be provided to reduce the perceived risk of customers (Chen & Chang, 2012).

3. Green Marketing Mix

While the globalization process is continuing rapidly all over the world, many problems have come up along with this process. One of the problems leading to these problems is

environmental problems that affect all living things negatively. Although these environmental problems have been on the agenda in recent years, they began to come to the agenda and people started to talk about these problems. Consumers are now worried about the future of the world, and as a result, they prefer mostly environmentally friendly products. In response to these attitudes of consumers, companies have begun to develop marketing strategies with this in mind, in order to respond to the growing awareness of this environmental friendliness. These marketing strategies, called green marketing, have led companies to adopt green policies in promotion and distribution activities, which include product characteristics, pricing and promotion activities (Boztepe, 2012). However, a green perspective has been introduced to the elements of the marketing mix. These have emerged as the green product, the green price, the green promotion and the green distribution, referred to as the green marketing mix. These concepts will be detailed below.

3.1. Green Product

In general, the green product is known as an ecological product or an environmentally friendly product. Shamdasani, Chon-Lin, and Richmond (1993) describe the green product as “products that will not pollute the world or consume natural resources, can be recycled or protected”. It is a product with an environmentally better content or packaging to reduce environmental impact. In other words, the green product refers to a product that uses reduced or less toxic material, which includes strategies for recycling or a recycled content (Chen & Chai, 2010).

In marketing, the “green product” and “environmental product” concepts are commonly used to improve the natural environment by conserving resources, reducing pollution and waste. From these definitions, green products can be identified using the following criteria (Pandey, 2016):

- Original products,
- Recyclable, reusable and biodegradable products,
- Natural ingredients,
- Products containing recycled ingredients and non-toxic chemicals,
- Products exposed to approved chemicals,
- Products that do not harm or pollute the environment,
- Products not to be tested on animals,
- Containers with environmentally friendly packaging, i.e. reusable, refillable, etc.

Although importance and consumer preferences of green products are discussed, share of green product market is estimated at around 4% of the global market. This situation demonstrates the necessity of studying the gaps between attitudes towards green products and businesses, and actual buying behavior (Cronin, Smith, Gleim, Ramirez, & Martinez, 2011). In order to create a significantly greener economy (product), a number of new, greener products and technologies are required. “Clean technology” plays a role in the environmental, social and more innovative nature of existing products and technologies (Peattie & Charter, 2003).

In addition to those mentioned above, the design of the green product plays an important key role in the green product (Bhat, 1993). Ashley (1993) suggests that 70% of the damage caused by a product to the environment will be developed in accordance with the product and related manufacturing processes. Therefore, manufacturers should incorporate environmental attributes into the products and processes. Then, they can use a “life cycle analysis” to assess the ecological impact of a product for different stages. This enables them to find out new methods of designing or producing products. Thus, it opens up new sectors and markets while lowering production costs (Polonsky & Rosenberger, 2001).

Top management should pay attention to the issues involved in the design phase of the product, community pressures, millions of dollars of responsibility, stricter legal and penal requirements of environmental regulations, environmental rocket cleaning costs, environmental regulations involving mandatory recycling, hazardous chemical content reduction, environmental labeling and environmental impact considerations (Bhat, 1993). Strong commitment to environmental sustainability in product design and manufacturing provides important opportunities for businesses to grow, innovate and build brand value (Ottman, 2008).

In the green marketing point, the packaging of the product is as important as the product design. A lot of companies started their green marketing efforts with the packaging activity. Packaging can be safely reduced without expensive changes to basic products or production processes and without the risk of disturbing customers (Peattie & Charter, 2003). This simple step saves valuable costs. However, as in many aspects of green marketing, its success in implementation can be more difficult than some of the recommendations of marketers (Ottman & Books, 1998). Therefore, it is necessary to ensure that the efforts of manufacturers to reuse and recycle packaging materials to make a meaningful difference are supported by a collection systems infrastructure, customer information and training (Peattie & Charter, 2003).

3.2. Green Price

Pricing is as important in green marketing as it is in traditional marketing. For example, concerns about over-pricing of organic food make consumers skeptical about some green food. Most customers are ready to pay premiums only when they perceive an added value, such as function, design, taste, etc. Environmental benefits only may not be a justification for higher prices. Environmentally responsible products can be relatively low cost considering all living costs. Examples include fuel-efficient vehicles, water-saving printing and non-hazardous products (Singh & Pandey, 2012).

The perceived dominance of green products over standard alternatives (e.g., quality and functional performance) is likely to affect their adoption or internalization rates (Shamdasani et al., 1993). This dominance of green alternatives resist prices, and comparisons are made. The price here, represents the costs that the buyer must accept to buy the product. The analysis of this price-benefit relationship reflects other costs of green product prices in addition to monetary costs. These are opportunity costs, energy costs and psychological costs. If the primary advantages of green products are higher than the primary costs, consumers are motivated to buy these products even if they are slightly more expensive than non-green substitutes (Kotler & Zaltman, 1971).

According to Roper study, consumers in general were not ready to undertake the cost of improving the environment by paying higher prices for green products. The study found that even the most environmentally sensitive group was willing to pay only 7.4% more for green products, although they seemed to be price sensitive, and one-fifth of them could not pay more. Grocer (1990), in focus discussions with American consumers, found that consumers were not willing to pay more for green products. Only if they love the product, the consumers appeared to pay attention to whether the quality of the product can be comparable to the normal brand (Shamdasani et al., 1993). A study on Australian consumers found out that 61.5% of the respondents were not sure whether they would pay more for environmentally friendly products, and 22.2% would pay more for green products. On average, respondents who want to pay more for green products want to pay between 15% and 20% more (Suchard & Polonsky, 1991). In a survey conducted on the people of Hong Kong, it was found that this public is one of the most passive and reluctant groups in environmental protection (Yam-Tang & Chan, 1998).

The promotion and distribution of green products contributes to consumers' awareness of the choice and availability of green alternatives. However, this awareness does not always

lead to environmentally friendly consumption decisions. In a survey with Singaporean consumers, almost all interviewees wanted to know where to buy environmentally friendly products. However, they are not willing to pay a higher price for green products if they are priced higher than traditional products. In another example where green alternatives are available in stores and are sold side by side, standard brands are found to sell up to 30 to 1 of the standard brands, even though green brands have competitive prices (Shamdasani et al., 1993).

Although these product innovations are driven by regulators/determinants rather than customers, world demand places more value on high-resource-efficient products. Many companies use innovations to manage price premiums for “green” products and to find new segments. For example, German companies have the advantage of the first move in producing less packaged products. Another exemplary application in the United States is the development of Cummins Engine Company’s low-emission diesel engines for vehicles such as trucks and buses. The innovations provided by the US environmental regulations, emphasizing the need for similar products in the international market, emphasizes the urgent importance of environmental improvements and green marketing practices today (Porter & Van der Linde, 1995). In the hotel business, there are green practices in the scope of waste management, water management and sustainable energy. As a result of the research, the green practices of the hotels and the general attitudes of the customers and their attitudes towards paying the price premium were found to be positive (W.G. Kim, Li, Han, & Kim, 2017).

The “good” pricing of sustainable products aims to expand the procurement of sustainable products and achieve sustainability targets. For example, the SuperBrugsen brand in Denmark promotes green products by offering customers a better price and discounts that allow them to test green alternatives. KIWI brand, on the other hand, reduced the value-added rate of organic products by 50% in a campaign of May 2009-October 2009, and succeeded in this campaign with organic products (Copenhagen Research Institute, n.d.). As mentioned above, pricing is the main point of the green marketing struggle in many ways. If social and environmental costs are included in the prices, there will be significant stimulus for producers to reduce costs and make them more sustainable (Peattie & Charter, 2003).

3.3. Green Promotion

Many businesses seek to promote themselves and their products by establishing an explicit or implicit relationship with social and environmental issues. However, publicity has become one of the most controversial areas of the green marketing agenda. Traditional

advertising has been criticized for offering green products as overly simplified solutions to complex environmental problems. Revelations about false and misleading allegations have also raised concerns about “green washing” and “green hype/deception” (Carlson, Grove, & Kangun, 1993). In this case, consumers are hesitating whether the products/services are produced with green environmental protection criteria.

The result of these concerns emphasizes the importance given to the concept of “sustainable communication”. Sustainable communication strongly emphasizes a dialogue with the stakeholders (customers and others), in order to inform them and create social credentials for the company and its products. A survey results showed that 30 percent of British adults recently purchased a product or service because of the company’s connection with a charity (Peattie & Charter, 2003).

Before starting the promotion of the environment, the company should consider whether consumers perceive the environmental information and understand what is actually being transmitted. As suggested earlier, many companies recognize that green promotion alone becomes less effective, so they tend to promote ecological features in addition to the more traditional ones. For example, it can be questioned whether environmental sponsorships and marketing programs for reasons will be effective, especially if they are found to be irrelevant to a company’s core marketing activities or products (Polonsky & Rosenberger, 2001).

Davis (1993) provides recommendations to guide marketers in green marketing promotion activities, formulating and using claims of their products or services on environmental performance. These are as follows:

- Ensure that the expressed benefit has a real impact. (For example, reducing harmful emissions, saving energy, etc.)
- Determine the specific benefit of the product in terms of product characteristics that contribute to improved environmental performance.
- Provide specific data and information about the benefits. (For example, determining the proportion and nature of recycled content.)
- Provide a context (content) to enable consumers to make meaningful comparisons.
- Explain and describe the technical terms used in the promotion activity.
- Explain the benefits, as consumers often have a limited understanding of environmental issues.

Iyer and Banerjee (1993) states that green advertising is aimed at the corporate image rather than the product or service. In addition, the emphasis of ads should be on environmentally friendly production and less on disposition. Carlson et al. (1993) conducted a study categorizing green print advertisements. They found that advertising claims tend to develop more image trends (i.e., by linking the company to a positively monitored environmental cause) than process-oriented (i.e., focusing on technology, production or disposal). This finding shows that the mistrust of consumers about green advertising claims can be based on sound foundations (Schrum, McCarty, & Lowrey, 1995).

Davis (1994) states that environmental advertising by institutions generally contains three elements. First, advertising begins by providing an expression of corporate concern for the environment. The ad then explains that the company has initiated a series of activities that demonstrate its concern and commitment to environmental improvement. Finally, advertising provides a description of the environmental actions and activities that the company is involved in and/or the results from which the company receives loans. Singh & Pandey (2012) mention the existence of three types of green advertising within the scope of green promotion activities. These ads are as follows:

1. Advertisements pointing to the relationship between a product/service and the biophysical environment,
2. Advertisements promoting a green lifestyle by emphasizing a product or service,
3. Advertisements presenting the corporate image of environmental responsibility.

As a result, most consumers are affected by advertising that reflects a company's commitment to the environment. Companies that display an eco-friendly image and make green advertisements in this direction also affect customers' purchasing decisions. This contributes to the consumers' association with environmentally friendly companies. When the company establishes such a relationship with the consumer and communicates it through promotions, publicity, advertising, and corporate social responsibility, it is certain that it will acquire a large number of loyal customers (Basha, 2015).

3.4. Green Distribution

Distribution is a key subject for green products in attracting the right customers and behaving in an environmentally friendly manner (Singh & Pandey, 2012). Deployment is a typical problem and is one of the first functions aimed at minimizing environmental costs. Companies have tried to reduce the use of raw materials by changing the packaging. Today,

integrated transport systems, the WWW and other opportunities have further reduced the environmental impact of distribution activities, requiring fewer transport networks. The most complex developments in the field of distribution, on the contrary, are in the sphere of logistics. In this way, companies move the packaging and used products back up the distribution channel from the consumer to the company (Polonsky & Rosenberger, 2001).

Products should be distributed so that they are not available in a small niche market for small consumers only. If products are marketed outside geographic boundaries, the distribution should be environmentally sensitive. Attention should be paid to the physical distribution of products in order to find a place to minimize the environmental impact of the logistics operations on the environment. This may mean reducing the number of miles driven by holding regional inventory or using fuel-efficient vehicles for distribution (Singh & Pandey, 2012). Channel partners may work together to improve the reuse or disposal arrangements of products. For example, Hewlett-Packard partnered with Staples in the “authorized recycling location” program for printer ink cartridges. In addition, companies can create “eco-alliances” with their channel partners to improve the environmental impact of their joint activities. For instance, the world’s leading companies such as Pepsi, Nestlé and L’Oreal collaborate with Tesco, one of the largest retail partners to create a “Supply Chain Leadership Coalition” that supports ways to reduce carbon footprints (Leonidou, Katsikeas, & Morgan, 2013).

The impact of products on nature is dictated by the fuel devoured and the materials used to convey them to customers. The application of “carbon taxes” to fossil fuel consumption has a significant impact on the distribution economy (Lyon & Montgomery, 2015). This encourages companies to replace global production and distribution chains with regional or local scale ones. It can be difficult to achieve optimal environmental performance in distribution. For example, reducing the thickness of the package can reduce consumed resources and the energy used in distribution, but may increase the level of accompanying waste due to the reduced level of protection for the product (Peattie & Charter, 2003).

As a result, green logistics can be seen as a complex, integrated strategic activity, providing opportunities for manufacturers. A firm’s commitment and position in the value chain can determine its ability to engage in activities that develop logistics that are less damaging to the environment. If it does not have the talent or motivation, it can choose to trust marketing waste (Polonsky & Rosenberger, 2001).

4. Sustainable Green Marketing

Sustainability is the deepest and most important development in green thinking. It was developed in the early 1980s, and then widely introduced in the “Brundtland Report” (World Commission on Environment and Development (WCED), 1987). A sustainable approach to consumption and production involves the enjoyment of today’s material standard of living that is not at the expense of the living standards of future generations. Therefore, it refers to the use of natural resources, environmental systems or human activities at a rate at which they can renew themselves, or to use them at a rate that can replace renewable alternatives in the case of non-renewable resources (Peattie, 2001).

There is a question that the change from industrial-era marketing to sustainable green marketing will be both important and troublesome. This includes a different perspective on marketing and strategies that go beyond social marketing. Sustainable green marketing, even the limited view of social marketing, has not yet been implemented by more than a handful of companies, and is seen as a problematic and difficult step to be taken (Kilbourne, 1998).

Since sustainability is the cornerstone of environmental marketing, it is the end point that all environmental marketing activities should lead to. Accepting the concept of sustainable marketing and making any progress in this regard is a major challenge. As Kilbourne (1998) points out, marketing involves a different perspective on its goals and strategies that go beyond social marketing. It is considered as a problem, because even the limited view of social marketing is not accepted by more than a handful of companies. The following are some of the highlights of sustainability in this regard (Peattie, 1999):

- It is an absolute concept. A particular economic activity is either sustainable or not. Otherwise, it will have to move to a sustainable foundation at some point, otherwise the environmental system to which it is connected will become unstable and stop to support this activity.
- It is very difficult to define in practice. Ecosystems and economies are both broad and complex systems. Attempting to fully define what constitutes them at an environmentally sustainable level and economic mode of action creates tax challenges for the relevant experts and can cause much debate.
- It concerns social protection as well as environmental. In the business world and elsewhere, there are often no calls for environmental protection on the basis that the

interests of the people should be placed on the interests of the environment. The sustainability agenda aims to protect the welfare of people by protecting the environment.

- Sustainability is more than being environmentally friendly. Improvements in the eco-performance of a product represent steps towards sustainability. However, these steps have little environmental significance unless they represent part of a continuous and ongoing process towards sustainability.
- Sustainability considers the corporate and marketing strategy beyond the long term to get an open-ended view, and is future-oriented. This means taking into account the needs of the future as well as the existing stakeholders.

Some researchers claim that green marketing is now providing “recycling” (Ottman, Stafford, & Hartman, 2006). When sustainable development was adopted as the dominant issue in the twentieth-century trade, two trends in green marketing were predicted to be inevitable in the near future. First, the concept of an environmentally friendly approach to business will be pushed to the mainstream. Second, companies from developed countries will start international green marketing to expand their markets and to use other advantages (Johri & Sahasakmontri, 1998; Lee, 2008).

The development of environmental marketing has undoubtedly influenced marketing practices over the last decade. Some important new green markets and products have emerged. Debates about the opportunities and challenges involved in marketing to green consumers have sometimes concealed progress in cross-business and organizational marketing. For example, large companies such as IBM, McDonalds and IT have used their purchasing power to insist that their suppliers improve their eco-performance and to support them through green audits. Governments have also used the features of the proposals to insist that suppliers find solutions to environmental problems. In many industries, technologies and production systems have been developed to create less pollution and protect the environment.

5. Problems in Green Marketing

Green marketing faces specific challenges identified by variability in demand, negative consumer perception, and high costs. Increasing environmental awareness determines the continuous development of demand for eco products (Johri & Sahasakmontri, 1998). On the other hand, some businesses’ ecological claims are met with skepticism by consumers. In less developed or developing countries, ecological products can be more expensive than

traditional products that are produced and sold. In addition to the aforementioned, there are other common challenges associated with green marketing. These are myopia of green marketing and green washing (Choudhary & Gokarn, 2013; Ottman et al., 2006). The issue of how to prevent them is particularly important for businesses. These concepts will be detailed below.

5.1. Green Marketing Myopia

Green marketing must fulfill following objectives: improved environmental quality and customer satisfaction. Over-emphasizing of these two concepts can be called “green marketing myopia” (Ottman et al., 2006). According to Levitt (2004), this concept characterizes a common collapse of the vision of companies focusing on product management rather than “meeting the needs of customers” (Ottman et al., 2006).

Many green products have failed to focus on the broader “green” expectations of marketers, consumers or other stakeholders (Choudhary & Gokarn, 2013). While trying to avoid giving negative information, it creates cynicism due to the disclosure of positive sustainability information about the performance of a company and products that are marketed incorrectly as sustainable (Villarino & Font, 2015).

It emphasizes that they have sustainability degrees in order to be product-oriented rather than customer-oriented and therefore to focus on consumer needs. This creates confusion when consumers receive uncertain information that is not related to decision-making (Ottman et al., 2006). Therefore, products marketed for eco-friendly or fair trade characteristics suffer from non-standard product performances or are perceived as suspicious (Peattie & Crane, 2005; Villarino & Font, 2015).

In order to avoid green marketing myopia marketers should not put the needs and interests of consumers higher than the protection of the natural environment. Therefore, it should consider how it would be best and beneficial for the environment (Ottman et al., 2006). Levitt (2004) warns that a corporate concern over products rather than consumer needs is doomed because consumers choose products and innovations that offer the desired benefits (Levitt, 2004; Ottman et al., 2006).

5.2. Greenwashing

In the early 1990s, there was a rapid rise in products that uncovered environmental claims. The “green” phenomenon of the 90s disappeared as quickly as possible. However, with the resurgence of green marketing, the phenomenon of greenwashing has become widespread

(Nyilasy, Gangadharbatla, & Paladino, 2014). Businesses often used green claims to attract a green audience, which often seemed to be environmentally friendly, but actually were ambiguous and sometimes wrong. This is referred to as greenwashing. In other words, greenwashing is the dissemination of incorrect or incomplete information by an organization in order to present a public image responsible for the environment (Furlow, 2010). Thus, businesses deliberately mislead consumers with false claims about the environmental practices and impact of a product (Nyilasy et al., 2014).

Lyon and Maxwell (2011) defined the concept of green washing as the selective disclosure of positive information about a firm's environmental or social performance, without the full disclosure of negative information in the enterprise dimensions to create an extremely positive corporate image (Lyon & Montgomery, 2015).

The abundance of uncertain and misleading environmental demands has caused consumers to question corporate honesty and criticize greenwashing every time. The concern about greenwashing is not only misleading consumers, but also leading to the loss of competitiveness of companies that comply with their environmental missions if irrational marketers continue to claim that they are environmentally friendly. In addition, excessive and misuse of "green" claims leads the market to the point where the product's greenness can become meaningless to the consumer (Delmas & Burbano, 2011; Furlow, 2010; Zimmer, T.F. Stafford, & Stafford, 1994).

Greenwashing is widely used to describe a company's products or services as fraudulent and misleading, even if they are not really green, environmentally friendly or sustainable (Chen & Chang, 2013). This concept harms market demand by confusing consumers and making them uncertain about buying green products. Finally, consumers stop buying green products again. Many consumers agree that when businesses state that they are green for a product, it is often a marketing strategy and will not comply with green demands (Lyon & Maxwell, 2011). The perception of green washing undermines consumers' attitudes towards a company that communicates about environmental engagement (Chen & Chang, 2013). As a result, greenwashing can destroy the market by causing consumers to suspect green products (Polonsky, Grau, & Garma, 2010).

6. Green Consumer and Behaviors

Green consumers are generally defined as individuals who adopt environmentally friendly behaviors and/or buy green products among standard alternatives. These consumers are under big internal control because they believe that individual consumers can be effective in

environmental protection. Therefore, they think that environmental protection should not be left to the government, business, environmentalists and scientists. They are also less dogmatic, more open-minded, or tolerant of new products and ideas. Their open-mindedness helps them to accept green products and behaviors more easily (Shamdasani et al., 1993). Also, they are green consumers, as consumers who are aware and interested in environmental problems. It means that consumers understand the primary need for green products, performance, quality, compliance and affordability, and how a green product can help solve environmental problems (Chen & Chai, 2010).

Green consumers are trying to change their buying habits and become more responsible. In some cases, they make significant changes in their behavior. There is, for example, an increasing demand for public transport and alternative means of transport (e.g. cycling), which have a less negative impact on the environment worldwide. On the other hand, consumers can easily integrate environmental criteria with normal purchases without making drastic changes in their lives. For example, more consumers may choose reusable shopping bags instead of plastic bags. In another example, during the replacement of electrical goods, consumers reduce the contribution of greenhouse gases by purchasing more energy efficient ones (Polonsky et al., 2010). Green consumers, who have concerns about environmental protection, pay attention to and avoid these behaviors (Peattie, 2001):

- Endangering the health of the consumer or others,
- Serious damage to the environment during production, use or disposal,
- Disproportionately large consumption of natural resources,
- Causing unnecessary waste due to over packing, excess properties or short life,
- Use materials derived from endangered species or environments,
- Cruelty to animals,
- Affecting other countries in negative way.

While not everyone may like buying green products, there are many consumers who are potentially buyers of green products. According to a Roper study, 58% of US consumers try to save energy at home, 46% recycled newspapers, 45% recycled bottles or cans, and 23% buy recycled materials or packaged products (Ginsberg & Bloom, 2004; Rex & Baumann, 2007). Thus, it is clear that some consumers have distinctly green emotions in their habits and purchasing behavior. Understanding the target consumer will help marketers to understand

whether “green” is a suitable characteristic of sales and how it should be included in the marketing package (Ginsberg & Bloom, 2004).

Green markets are developing in many parts of the world. Enterprises offer environmentally friendly products in accordance with the socio-demographic segment of consumers who make purchase decisions, in whole or partly, taking into account environmental criteria called environmentally friendly consumers (Hartmann & Ibáñez, 2006). When faced with a population that increases environmental concern, marketers seek to identify “green consumers and find out what motivates them to purchase products marketed as environmental (Peattie & Charter, 2003). To respond to varying degrees of environmental concern from consumers, marketers divide the market into different shades of green. According to the Roper survey, consumers can be divided into the following groups (Ginsberg & Bloom, 2004; Rex & Baumann, 2007):

True-Blue Greens: They have strong environmental values. Mainly green consumers are a group that places great importance on recycling. It is more than four times that they avoid the products produced by non-environmentally conscious enterprises.

Greenback Greens: They are different from True-Blue Greens because they do not take the time to be politically active (in line with their interests). However, they are more eager to buy environmentally friendly products than the average consumers are. They buy or give green, but they do not make changes in lifestyle.

Sprouts: They believe in environmental causes in theory, but not in practice. They rarely get a green crop when they spend more money, but they can go either way and can be convinced to buy green if appropriate.

Grousters: They tend to be uneducated about environmental issues and underestimate their ability to influence the change. They believe that green products are very costly and do not perform as well as other competitors.

Basic Browns: They are busy with everyday worries and are not interested in environmental and social issues. Therefore, they are indifferent.

Green consumer behavior is also classified under four headings. These are activists with a high probability of purchasing green products/services, realists who are concerned about the environment but are skeptical about the green product, those who are indifferent/irrelevant considering the solution as someone else’s problem; and foreigners who are not aware of green issues or temporarily seeing (Rex & Baumann, 2007).

7. Green Marketing Strategies

When considering environmental aspects, businesses implement green marketing strategies to increase the perceived value of their products, increase their competitive advantages and reduce the perceived risk of their products (Chen & Chang, 2012). In order to create markets for the production of more ecological products, local, business-to-business, retailer and government purchasing policies should be increased by taking environmental criteria into consideration (Ottman & Books, 1998).

For marketing strategists, understanding the functioning of green marketing and its potential impact on customers is crucial. In this respect, businesses need to understand the relative strengths and weaknesses of their eco-performance. The opportunities provided by good eco-performance are summarized under the following headings (Peattie & Charter, 2003).

- New market opportunities through access to growing green markets,
- Opportunities in differing,
- Opportunities for cost advantages,
- Opportunities to build niche markets.

Green marketing involves the activities of designing, developing, pricing and distributing products that will not harm the environment. It is based on Porter's five power models as a competitive strategy in traditional marketing. Although green marketing was included in the strategic plan, no results were achieved, because environmental policies were kept in the background and were not fully integrated into the overall planning of the enterprise (McDaniel & Rylander, 1993). It is possible for businesses to gain a competitive advantage by managing environmental variables and developing green marketing strategies (Sitnikov, Vasilescu, Ogarca, & Tudor, 2015).

Green marketing strategy also deals with different dimensions compared to traditional marketing strategies. Ginsberg and Bloom (2004) also state some questions that managers should ask themselves before developing a green marketing strategy. These are:

- How important is the green consumer chain to the business?
- Can the enterprise increase its income by improving the perception of green?
- If consumers consider the company as inadequate green, will it receive a financial blow? Or, are there many consumers who are uninterested in the business's ability to serve profitably?

- Can the brand or company be differentiated in green?
- Does the company have a resource that understands what it means to be green in the industry and internal commitment at the senior management level to be green?
- Can competitors be defeated in this area, or would it be too expensive and frustrating to compete with them in green areas that are highly competitive and environmental?

In order to form a green marketing strategy, the different dimensions of the enterprises using the marketing strategy are integrated into the green marketing strategy matrix (see Figure 2) of Ginsberg and Bloom (2004) (Chen & Lin, 2011). The matrix of Ginsberg and Bloom (2004) has positioned the marketing mix and green marketing strategies. In addition, the works of Sitnikov et al. (2015) and Chen and Lin (2011) are presented.

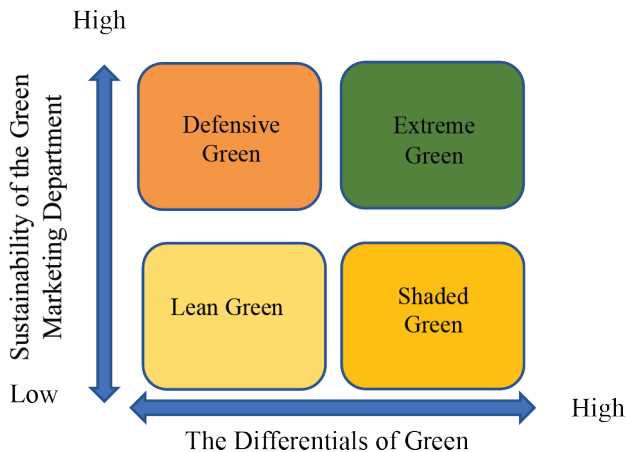


Figure 2: Green Marketing Strategy Matrix

Source: Adapted from “Choosing the right green marketing strategy”, by J. M. Ginsberg, and P. N. Bloom, 2004, *MIT Sloan Management Review*, 46(1), p. 81.

Companies that incorporate green in their marketing strategies should follow their own positioning and strategy taking into account environmental factors. Before determining the green marketing strategy in the matrix of enterprises, it should consider the differentiation of green products from its competitors by considering the potential size of the green market in the sector (Chen & Lin, 2011). Ginsberg & Bloom identified this matrix in four green positions. These areas have determined the level of green businesses in the sector and the active level of green in these groups (Ginsberg & Bloom, 2004).

Lean Green: Lean greens do not focus on promoting or marketing green initiatives. They do pro-environmental activities because they focus on reducing costs and increasing productivity. In general, they organize long-term preventive activities and operate at certain

standards, and cannot earn significant financial gains from the green market segment. As a result, they carry out their activities in the green field with low diversity and a low green market.

Defensive Green: Defensive greens use green marketing as a precaution, a response to the crisis, or as a defense against the activities of their competitors. They aim to move away from the green market segment and consider it a profitable area, but to reduce the image of the enterprise and the cost that may arise. Defensive greens carry out a lower level of environmental activities and sponsorship activities. When faced with attacks from competitors or the environment, their low level of green activity will protect them through public relations or advertising. It also will not develop green campaigns unless it has a significant competitive advantage.

Shaded Greens: The greens in this group see green as an opportunity to develop innovative, competitive advantages and responsive products. A business has the ability to differentiate itself in green strategies, but it does not apply this differentiation. This is because they are able to make profit by highlighting other features. Shaded greens provide direct advantages to the customer and environmental advantages are encouraged as a secondary factor.

Extreme Green: Environmental issues are included in all processes of these businesses. The phenomenon of green has become a dynamic cornerstone of the business. It also covers practices, pricing, environmental management and strategies in business processes. Extreme greens continue their activities in the form of niche marketing and offer its products and services to its customers through sales channels.

Businesses who want to implement green marketing should plan where to put green in their strategies and what kind of activities to do. The active use of green marketing in the planning process will be more beneficial in achieving its objectives. The inclusion of green marketing in the strategic planning process of the enterprise has failed for many businesses because green policies towards the environment are not taken into consideration in the planning process. McDaniel and Rylander (1993) stated that it is essential to create a strategic marketing process which is the whole of green marketing:

- Step 1: Develop an environmental policy.
- Step 2: Establish environmental leadership at the highest level of the organization.
- Step 3: Identify or develop environmental advocates within the organization.
- Step 4: Train and improve all employees on environmental awareness.

- Step 5: Maintain active dialogue with external environmental stakeholders and government agencies.
- Step 6: Develop an outgoing environmental action program.
- Step 7: Integrate all departments into the process to facilitate flexibility in responding to environmental needs.
- Step 8: Allocate enough resources to illustrate your discourse and actions.
- Step 9: Tell your customers what you are doing through effective advertising and promotion.
- Step 10: Track consumer feedback with an active marketing research program.

Ottman (2008), on the other hand, categorizes the issues that should be considered in the green marketing strategies of enterprises under five headings. These are detailed following in the Table 1:

Table 1: Five Rules in Green Marketing	
Rules in Green Marketing	
1. Know consumers	If you want to sell a greener product to consumers, you must first make sure that these consumers are aware of and worried about issues with your product.
2. Empower consumers	Make consumers feel that they can make a difference on their own or in harmony with all other users of your product. This is called empowerment and that is why consumers buy greener products. This powerful principle is the basis of so many campaigns.
3. Be transparent	Consumers should believe in the legitimacy of your product and the specific claims you make. There is a lot of skepticism caused by false claims in the green marketing process that emerged in the late 90s and early 90s.
4. Reassure the buyer	Consumers need to believe that your product is doing what it needs to do. They do not give up the product quality on behalf of the environment. (Also, products that do not work well will probably fall into the trash, which will not be polite to the environment.)
5. Consider your price	If you are charging more for your product, and because many of the environmentally preferred products are more expensive due to the economies of scale and the use of high-quality content, make sure that consumers can afford and feel it.

8. Global Green Practices

Green practices have been emerging against increasing environmental issues in the world for the last several decades. According to The Global Risks Report 2018, published by the World Economic Forum (2018), environmental risks such as extreme weather events, natural

disasters, failure of climate-change mitigation and adaptation, man-made environmental disasters are among top 10 global risks. Today, almost 90% of the world's population lives with polluted air (World Economic Forum, 2018). Against these global challenges, countries and institutions are making their own environmental efforts. Green marketing is a subject where the attention of all institutions is intensified along with consumer expectations. Public institutions, private organizations and non-governmental organizations continue their activities in order to protect nature and make the future greener.

One of the studies evaluating the environmental performances of countries is the Environmental Performance Index (EPI), which ranks 180 countries on 24 performance indicators across ten issue categories covering environmental health and ecosystem vitality (Yale Center for Environmental Law & Policy, 2018). Figure 3 indicates the 10 countries ranked on the top and bottom of the Environmental Performance Index - 2018 ranking.

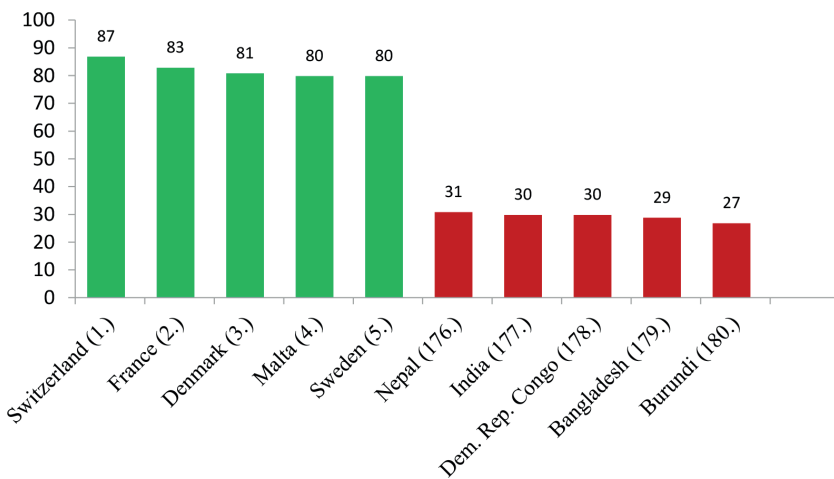


Figure 3: Environmental Performance Ranking of Countries

Source: Adapted from “2018 Environmental Performance Index”, by Yale Center for Environmental Law & Policy, 2018. Retrieved from <https://epi.yale.edu/downloads/epi2018policymakerssummaryv01.pdf>.

Switzerland is the leading country with the highest environmental performance score (87.42), followed by France (83.95), Denmark (81.60), Malta (80.90) and Sweden (80.51). On the other hand, Burundi is ranked as the country with the lowest environmental performance score (27.43). Also, in the list of the last five countries with a low rate are Bangladesh (29.56), Dem. Rep. Congo (30.41), India (30.57) and Nepal (31.44). Results of this index give some significant insights in terms of policy making on environmental issues both global and by country level. In the world, international organizations such as United Nations Environment Program (UNEP), Intergovernmental Panel on Climate Change (IPCC),

World Wide Fund for Nature (WWF), International Union for Conservation of Nature and Natural Resources (IUCN), are operating for environmental protection.

In addition, organizations such as Greenpeace, ISO, and the Foundation for Environmental Education can be listed among the most influential green institutions in terms of environmental protection and green practices on a global scale. For example, the Blue Flag program of the Foundation for Environmental Education is one of the world's most recognized voluntary eco-labels awarded to beaches, marinas, and sustainable boating tourism operators around the globe (Foundation for Environmental Education, 2019). ISO 14001 environmental management standards have been adopted as national standards in 162 countries (International Standardization Organization, 2019).

Consumer attitudes and behaviors are also changing in the face of global environmental challenges. As a response to the consumers' market changes, global companies are starting practices on greening their businesses. Today, environmental and sustainability issues are strategic topics for the global companies and it can be observed their environmental performances in global ranking indexes. Newsweek has ranked the world's largest companies on corporate sustainability and environmental impact (<https://www.rankingthebrands.com>, 06.11.2019). The Best Global Green Brands report examines applications of companies on energy, carbon, water and waste. The report includes companies, which were ranked based consumer perceptions toward the companies' environmental performances. Table 2 contains detailed information about the best 10 global green brands.

Table 2: Global 10 Green Brands				
№	Name	Industry	Green Score (%)	Country
1	L'Oréal	Personal Care	89.90	France
2	Centrica	Energy & chemical	88.70	United Kingdom
3	Enbridge	Energy & chemical	86.00	Canada
4	Siemens	Personal and household appliances	85.30	Germany
5	CISCO	Telecom and IT	83.70	USA
6	Henkel	Consortia & organizations	82.60	Germany
7	Accenture	Professional Services	82.50	USA
8	Bt Group Plc	Telecom and IT	82.50	United Kingdom
9	Adidas	Fashion	79.60	Germany
10	Philips	Technology - General	77.90	Netherlands

Source: Adapted from "Best Global Green Brands," by Ranking The Brands, 2018. Retrieved from <https://www.rankingthebrands.com>.

Table 2, L'Oréal is the leading brand with the highest score (89.9), followed by Centrica, Enbridge, Siemens, Cisco, Henkel, Accenture, Bt Group Plc, Adidas and Philips. These companies represent different industries, from personal products to household products, from energy and chemical to technology. The most frequent industry is technology. The majority of these global green brands belongs to European countries, like Germany, United Kingdom and others.

The issue of green emerges as an important element for every institution and individual. In addition, in the world where technology, globalization and competition environment increase, organizations that attach importance to green will be in a good position in the eyes of individuals. Nowadays, public institutions, private organizations and non-governmental organizations continue their environment awareness-raising activities and projects.

For example, Dell's environmental policy focuses on recycling products and energy utilization rate. Certified by many energy standards organizations (Energy Star, EPEAT and 80 plus), the company designs its products and packaging as recyclable. In addition, the company has been providing 25% energy efficiency since 2008 (Dell, n.d.). Besides that, one of the company's commitments is to reduce energy density up to 80% by 2020 (The Guardian, 2004).

Another global company, Coca Cola, aims to use 100% recyclable packaging worldwide by 2025. In addition, in the field of water efficiency, within the scope of social activity, it carries out activities to improve water quality in many countries. The company provided clean drinking water to more than 2.8 million people in Africa and supported water, sanitation and hygiene (WASH) programs in more than 2,000 communities (Coca Cola, 2018).

Today, Johnson & Johnson is using 31% renewable energy within the scope of its sustainability activities, and the company aims to raise this rate up to 100% by the end of 2050 (Johnson & Johnson, 2018). This company has been pioneering on the manufacturing of environmentally responsible personal care products (Smartcitiesdive, n.d.).

Amazon was ranked number one in solar energy use in the USA in 2018. The company implemented a packaging program to reduce waste in packaging (Amazon, n.d.). Today, a lot of global companies have understood the importance of green marketing activities and they seem to focus on these issues. Sustainability reports issued by companies every year can be seen as an indication of the above-mentioned approaches of the companies. You can find out

more about sustainability policies, goals and activities of the global companies by accessing the reports on corporate websites.

9. Conclusion

Marketing as a business philosophy always takes into consideration not only business benefits, but also benefits for consumers and the whole society. Environmental factors such as consumers, society, technology, ecology and economy affect the orientation of the business and the development of marketing concept.

In the past several decades, we have witnessed rapid economic growth and increasing consumption around the globe. The result of this situation leads to environmental degradation through excessive consumption and the use of natural resources. The rapid growth in the economy and consumption worldwide are seen as the main causes of environmental degradation. It can be said that, in response to such trends in the world, consumers' environmental sensitivity has been increasing and they want businesses also to be sensitive to nature. In other words, consumers have increased their expectations from organizations and enterprises. In this way, enterprises include green practices in their business processes in order to provide a competitive advantage and increase their image in society. In the green marketing process, it is possible to gain a competitive advantage and a cost advantage within the green strategies they create with the green activities they will integrate into the marketing mix. Conscious consumers, who increase every day, are likely to be included in the green consumer position. The conscious consumer is the one who is aware of the processes from the quality of the product to the price, and the harmful effects to the environmental condition. The green consumer, on the other hand, regardless of price, prefers green products instead of unhealthy one.

Green marketing has a great potential to become one of the most influential concepts for business and non-business organizations in the long term. Limited natural resources, increased consumption and environmental pollution are the main catalysts for the implementation of green concept around the world. Today, global companies have started to implement the green marketing approach to their manufacturing, marketing and logistic activities. However, despite the advantages of green marketing in terms of enterprises, it faces some difficulties and challenges in implementation. The most important of them are green marketing myopia and green washing problems. Some businesses do not yet consider green marketing practices as a competitive advantage, while others try to show themselves as green without adopting truly green approaches. In terms of the private sector, it is crucial to follow environmental

trends and adapt their marketing activities to the environmental conditions. Moreover, this concept is not important only for global companies, but also for local enterprises. In order to adopt and implement this sustainability-based approach by enterprises and other institutions, it is important to continue conducting scientific researches, making theoretical bases more systematic and accessible.

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CHAPTER 9

SERVICES MARKETING STRATEGIES

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Abstract

Today, service sectors hold for a major part of nations' economies worldwide in general. Developments and rapid innovations in information and communications technologies, the rise of the digital age, and changing consumption habits helped or forced companies in generating new services and also helped individuals to make better choices. The main purpose of the study is to present up-to-date issues related to services marketing in theory and practice. With the help of the findings from previous studies and examples from several service sectors, the potential of the services marketing, in general, is examined theoretically. The chapter mainly discusses the integration of new technologies (digitalized services, mobile services, self-service technologies, robots, and so on) to the services marketing ecosystems regarding related benefits and drawbacks. These technologies are supposed to change the ecosystems to some degree, since especially in some service sectors service providers may need to go back to basics and start the process design from zero by embracing these new service models, channels, tools, etc. This changing services marketing environment should be the concern of both businesses and marketing scholars. To be able to provide more superior value and to create a competitive advantage, services should be designed and delivered in this manner. Besides discussing what is new for today, the chapter includes a projection and discussion of the future of services marketing.

Keywords: Service Economy, Service Convenience, Self-Service Technologies (SSTs), Mobile, Service Innovation, Digital, Service Ecosystems.

1. Introduction

As an evolving sector and a research discipline, services marketing continues to change also by broadening its' scope. In terms of newly added dimensions and concepts, there is an ongoing progression (Gilmore, 2003), especially over the past few decades. There are new business models offering tailored services. There are new servicescapes and unusual ways of technology intervention in the services and service delivery processes today. Globalization is partly responsible for the increase in human interaction both face-to-face and in cyberspace, and all-inclusive and complex marketplaces (Sharma, Tam, & Wu, 2018), while technological advancements take the lead and shape people's expectations and behaviors.

Services are more sophisticated in some service sectors, such as for financial services, travel and accommodation services, professional services (where the benefits delivered are mostly arisen from information and expertise) or not-for-profit organizations. In such services, there are fresh ways to deliver services by close interaction with (Gilmore, 2003) or even by participation of consumers. The internet also itself appeared as a new channel for marketers with a diverse collection of purposes. Thus these developments have changed the industry and the way organizations are managed eventually. The inevitable encounter of technology, internet, and information systems has led to advancements for service businesses, such as online and mobile services, self-service models, service robots, etc.

Because people consume different kinds of services each day, services marketing comprise a basis for contemporary marketing activities. In this context, the importance and future of services are worth explaining.

The main aim of this chapter is to provide a comprehensive conceptual framework to reflect the current issues, by referring relevant findings from the literature on new tools and new services mostly regarding digitalization and self-service technologies (SSTs). The chapter is expected to guide future research on this topic of blooming importance.

The first section of this chapter includes a discussion on the background of services marketing. Current state, importance and extended scope of services marketing, and the service marketing mix are discussed shortly. In the second section, a strategic look is taken into the past and future of the services industry. The following third section represents a discussion on the practices of service marketers versus today's consumers and technology. This part is the backbone of the study. E-services and digitalization of servicescapes, SSTs use in physical and online servicescapes and, integration of mobile technologies in service delivery and consumption processes are the themes that have been examined. These themes

are explained with examples from previous research on different sectors such as finance, healthcare, transportation, accommodation and food, etc. Their advantages/disadvantages, and role on consumer preferences, perceived service quality, adoption, satisfaction, loyalty or switching behavior are also discussed. SSTs (interactive kiosks, telephone-voice response, etc.) are explained as opposed to the traditional (interpersonal) way of delivering services. Mobile technologies (devices, applications, social media, etc.) continue to grow and now is part of almost all service industries. The fourth section comprises a projection into the near and distant future of services. Companies have new options to deliver service experiences, and gathering and managing customer data is another trend and also a must for service marketers to gain insight. This section includes a discussion on what is new for service marketers; such as innovation in services, service robots, new customer roles (customers as productive resources), new processes, bundled services, and customized services. Use of artificial intelligence (AI) and big data are among new trends. Sharing economy is not a new term for service marketers, but also is quite popular in industries such as tourism, transportation, etc. In conclusion, a summary is presented including a closing discussion on today's service ecosystems and service consumers.

2. Services Marketing Background

The term “*service*” has been described by Berry (1980) as a “*deed, act or performance*” (Lovelock, 1983). Based on this simple description, Wilson, Zeithaml, Bitner and Gremler (2018) gave a broader definition for the term in their book as: “*services are deeds, processes, and performances provided, co-produced, or co-created by one entity or person for and/or with another entity or person.*” Thus, “*service business*” (Gilmore, 2003) is where the perceived value of the market offerings comes from the delivered service rather than the actual product, in case there is one.

Services can be defined with the specific characteristics and may be separated from goods in this manner. Since the early era in services marketing literature, the most referred distinction comes from the issue of tangibility. This characteristic makes it harder to evaluate and manage by organizations. Intangible nature of services is the most important thing to look upon when considering strategic marketing actions such as for branding, promotional strategies and materials, decisions on service outlets, etc. (Lovelock & Wirtz, 2011). Other than intangibility, services are characterized by heterogeneity (while goods can be homogeneous and standardized as opposed to services), inseparability and simultaneity of production, delivery and consumption (the characteristic which constitutes a base for customer participation in service encounters); perishability (meaning that service offerings cannot be stored for later

use); and non-ownership at last. Services are mostly rented or borrowed (Gummesson, 2010). Indeed, there are points of convergence between the goods and services industries (Palmer, 2003) including these characteristics (see Lovelock & Gummesson (2004) for a detailed discussion on the service characteristics, and Lovelock (1983) for different service classifications in terms of the nature of the service act and relationship with customers). This interpretation also led to a classification of products as search, experience, or credence goods/services (Girard & Dion, 2010), based on uncertainty and risk perceptions in consideration and customer costs in evaluating the product/service related information. Today, with the help of technology and heightened competition globally, organizations need to be more aware of this distinction when creating bonds with customers (Hsieh, Chiu, & Chiang, 2005) since experience and credence products need higher customization and participation. Branding is an important tool for service marketers to create and maintain strong relations with customers. For services, branding tends to influence customers more because of the services' intangible nature. However, the brand itself is not the only thing when considering a poor customer experience (Berry, 2016) which may create an unloyal customer base (Keaveney & Parthasarathy, 2001). Improving the value delivered in encounters will eventually help to develop long-term relations (Akaka & Vargo, 2015), leading to more profit, and also referrals and positive word of mouth. The delivery of high-quality service is important in the sustainability of firm performance (Myrden & Kelloway, 2015). To provide the aforementioned issues and overcome the limitations of the so-long credited marketing mix (4Ps), the extended mix for services marketing strategies (7Ps) has been introduced, including three extra elements: people, physical evidence (also referred to as servicescape), and processes (Gummesson, 2010). People element holds for the emphasis of the service personnel while physical evidence refers to all tangible elements, places, looks of people, and other things included in a service ecosystem. Processes element refers to the design of service delivery and consumption processes. All must be an integral part of service marketers plan and implementations, with the other 4Ps.

2.1. Why Do Services Matter for Us?

There is an increasing influence of services related sectors on economies around the world (Kunz & Hogreve, 2011) since its emergence as a separate subfield of marketing discipline in the late 1970s (Brown, Fisk, & Bitner, 1994). Governmental organizations and companies gain an insight into the need for services marketing and management (Gummesson & Grönroos, 2012). However, it was the study of Vargo and Lusch (2004) that changes the direction of the ongoing debates with the introduced concept “*service-dominant (S-D) logic*”.

S-D logic basically claims that services are the basis of all kinds of exchange, all economies are service economies, and this view is inherently customer relationship oriented (Gummesson, 2010; Vargo & Lusch, 2008). Thus, even services marketing term is limiting the capacity of services as any sales or marketing activity could incorporate an act or performance, when the new dynamic service-ecosystems approach is taken into account (Akaka & Vargo, 2015) including social and economic elements, comprised of networks of people and organizations.

Today, to draw attention to the value of service encounters (defined as “*the context in which service is exchanged between a firm and a customer and satisfaction/dissatisfaction is determined*” by Akaka and Vargo (2015), the service-ecosystems approach is preferred (which is explained in the following section). The S-D logic also converged into a new concept “*customer-dominant logic*” (Heinonen et al., 2010) where again companies and customers are co-creators of value (Palmer & Bejou, 2016).

Hoffman and Bateson (2010) stated the rationale behind the importance of studying services marketing as; expansion of the contribution of service economies in global by contributions to the nations’ Gross Domestic Products (GDP), increased availability of the service workforce in the global arena, developments concerning e-services, and creating sustainable service practices, in short. The services industries are highly popular today, for sure.

2.2. Extended Scope of Services Marketing

The evolution of services marketing research tells us the relevant important and top topics related to different eras in marketing related developments. As Grove, Fisk, and John (2003) declared, services marketing has maturing fields, nevertheless the scope is expanding while blurring boundaries (Lovelock & Gummesson, 2004) between goods and services. Looking into the past, Fisk, Brown, and Bitner (1993) declared this evolution by three eras: Crawling Out (pre-1980), Scurrying About (1980-85), and Walking Erect (1986-1993), and presented a new look nearly two decades later and added two more eras (Fisk & Grove, 2010): making tools (1994-1999) and creating language (2000-2010) (Russell-Bennett & Baron, 2016). In short, the first stage symbolizes the struggling nature of marketing scholars’ debate on the unique characteristics of services. The second stage refers to the rapid development of diverse topics with the high interest in services marketing. The third stage points out the rise of an established field with specific marketing problems (Fisk et al., 1993) such as the issue of service quality, the concepts of service encounters/experiences, service design, customer retention, internal marketing, and so on. Making tools stage is the era of rapid technological improvements and web-based services shaping service industries,

while the fifth stage (creating language) is where a technical service language is emerging to communicate and knowledge is shared across the community of service scholars and managers (Fisk & Grove, 2010).

The extended context of services refers to different conceptualizations beginning from service encounters to servicescapes and last, to service ecosystems. Service encounters (defined in the previous sections) are the bundle of performances (Tripp & Drea, 2002) that now happens with the help of SSTs besides interpersonal interaction. Thus, the context transformed into the term “*servicescape*”, regarding also customer-to-customer relations in a market. A more recent conceptualization is “*service ecosystems*” referring to the application of knowledge and capabilities for the benefit of all (Akaka & Vargo, 2015). Caring for the interest of all participants in these ecosystems and a proper control of the resulting value by provided service experiences does matter. Figure 1 represents the evolution of the services marketing context, based on the arguments of Akaka and Vargo (2015) in their study.

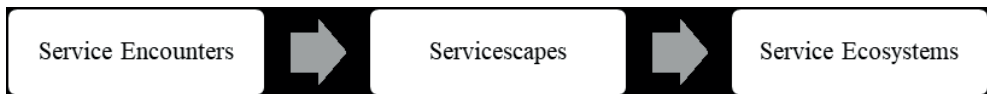


Figure 1: From service encounters to service ecosystems

Lagrosen (2005) stated that the main reason for the existence of organizations is not themselves, it is the customers. The focal point is to be able to correctly examine and understand consumers to provide the best of experiences, thus maintaining relations. Besides their different aims, customers and service providers should find this relationship valuable as two equal partners (Gummesson, 2010). Considering the service ecosystems approach, the service process needs to be orchestrated as a win-win situation.

3. Strategic Look into Service Industries: Then and Now

Services marketers need to deal with a diverse collection of problems or issues today. At the beginning of the 21st century, Gilmore (2003) defined the four most important issues as (1) bonding with customers by using relevant relationship marketing approaches, (2) managing the implementation of the service practice, the fulfillment process, (3) creating and managing sustainable services by considering social and environmental issues, (4) maintaining a stable fund supply and support by the public, especially for a non-profit context. These are considered as strategic goals back in this decade.

Today, these goals may hold their relevance, however, there are other concerns that should be discussed, too. Free trade and self-regulating markets created more competitive service ecosystems and also helped to raise consumers' expectations from service providers (Palmer, 2003).

3.1. Everything is a Service!

To begin with, the following question need to be answered: Which businesses are service businesses? Wilson, Zeithaml, Bitner, and Gremler (2018) give an answer as "all are!". The authors argue that all companies provide services, whether the service is the core of their business model, or they are manufacturers of physical goods. Because in all industries, companies somehow provide services at least like repair, distribution, consulting and information technology services. A smartphone or tablet manufacturer can be also a part of the service economy because the experience and solutions, in fact, are embedded in the product's use. All products deliver a collection of benefits to its consumers.

Besides, most new business models are described as service models which are mainly technology-based and information processing services, such as ride-sharing, music streaming, and online/mobile booking services.

3.2. The Rise of the Service Economies

Just as service industries have a huge impact on the economy of many nations, a number of industries have managed to improve productivity and stimulate growth, such as transportation (with increased budget or strategies on the rail, road, air travel services) or distribution (Palmer, 2003) and accommodation services. There are new service models for customers to find service providers. There is a new service business model which emerged for the needs of manufacturers or intermediaries to find suppliers and vice versa. With the help of cyberspace, these sectors are growing too.

In the most classical terms, definitions on the service economy refers to the so-called soft elements of the economy comprising of mainly nine sectors: "*education and health services, financial activities, government, information, leisure and hospitality, professional and business services, transportation and utilities, wholesale and retail trade, and other services*" (Hoffman & Bateson, 2010). There is an increase in the demand for services as a result of individual customer choices and increased social welfare and newly introduced services such as the ones in education, research, healthcare, etc. (Peneder, Kaniovski, & Dachs, 2003). Gummesson (2010) presented a more detailed classification as: "*trade, hotels and restaurants,*

transport (including tourism, travel agencies, tour operators), storage and communication, financial services, real estate and dwellings, business services (e.g. accounting, software development, management consultancy, technical consultancy), public administration, defence, education, health services, religious and other community services, legal services, recreation, entertainment, and personal services". Many official reports state that in developed economies, the service sector is expanding while agricultural and manufacturing industries are narrowing (Lovelock & Wirtz, 2011).

Other than changing classifications in time with newly introduced services, the context of remaining service sectors is also evolving; expanding or creating other subsectors. Talking of financial services which were mainly concerned with operations, risk and all financial issues; now have subsectors, such as retail bank marketing, which owns even different kinds of channels to deliver the service which a retail bank stands for. Tourism, which is one of the biggest and dynamic sectors among service economies, led to the birth of many subsectors, comprised of different elements from the private and public sectors, creating many job opportunities (Gilmore, 2003). For example, in the healthcare sector, service providers now actively use online channels to provide information and back-up services (Bodkin & Miaoulis, 2007). Current healthcare consumers now see a diverse portfolio of service providers, channels, prices, thus one can choose the most promising or valued provider or plan to find a treatment for the diagnosed problem or even for problem diagnosis (Ettinger, 1998). In providing patient-service provider connection also the internet provides many benefits, including tailored marketing communications (Suggs & McIntyre, 2009). The popular category related to the trading of information called knowledge-based services is comprised of accounting, engineering, management consulting, information technology and training, educational services, legal services, etc. (Javalgi, Benoy Joseph, & LaRosa, 2009). Particularly in developed economies, these services present a rapid growth rate.

4. Service Marketers vs. Today's Consumers and Technology

Technology and information systems play a significant role in supporting innovation in many fields, positively affecting our daily, personal and professional lives. Cudmore, Bobrowski, and Kiguradze (2011) take this view to another level and state that the embracement of new information technologies and the Internet is not a choice, but it must be the key to an organization's survival in the long run. Any organization should focus on the successful integration of these technologies into their practice and reshape its management policies with practices.

For service providers, technology-related innovations represent a reduction in related costs, a closer connection with customers, greater convenience provided to customers by helping them save time and effort (Walker & Johnson, 2006). Services that were previously held interpersonally with human-to-human interaction now offers most of the service benefits on the web (Lagrosen, 2005). Besides online ventures of existing service providers, there are new kinds of services, such as ride-sharing, music streaming, and online/mobile booking services, as mentioned earlier. Larivière et al. (2017) provide a framework on the interdependent roles of technology, employees, and customers in today's world. According to the authors, when investigating the role of technology on business models, there should be two different perspectives: business models that are enhanced by technology, and business models that feed technologies. Technology has an augmenting role (on the performance of service provider and personnel); while also it may substitute the old practices, replace them with new systems like SSTs or automation systems (substituting role); and creates new networks, digital platforms, machine to machine interaction, etc. (facilitator role). On the other hand, there are the new business models creating technology to lead the way to other business models such as analytics software or communication technologies. What is important in the design of business models with technology is to consider the complexity of business environments and to make sure to choose the best design possible. Managers, undoubtedly, should look for a balance between the service inputs, whether it is comprised of human resources and/or technological inputs.

On the use of technology-enabled services, Walker and Johnson (2006) discuss that even providers offer many benefits, all of these marketed benefits may not be necessarily embraced or valued by all of the service consumers. The authors ask the question of whether all consumers see themselves or can be seen as totally confident and motivated to use these kinds of services. Thus, there is a need to have an insight from the perspective of both sides – companies and consumers.

Among all other benefits a customer may experience by the use of appropriate technologies, provided convenience was one of the most important and appreciated. Service provider companies should provide several types of convenience during a service encounter (Berry, Seiders, & Grewal, 2002), which are namely (1) “*decision convenience*” in the pre-purchase stage, (2) “*access convenience*” of customers to initiate service performance, (3) “*transaction convenience*” in completing service transactions, (4) “*benefit convenience*” from service experience, and (5) “*post-benefit convenience*” referring to the resolution of any problems appearing after sales (Berry, 2016). In short, these could be evaluated as the stages of

consumption activities. When considering consumer evaluations of the service performance, consumers' perceptions on time and effort (physical/mental) costs related to these stages reflects their total evaluation of the firm performance. This topic is so important in service economies that most recent innovations probably result from the relevant deficiencies in service marketers' performances. There is an everlasting increase in consumers' demand for more convenience in all aspects due to socio-cultural and economic developments, technological advancement, increasing competition in market environments and opportunity costs of converting a business into a more consumer-friendly service environment. Because the time or effort put into a specific transaction can not be renewed (Berry et al., 2002), service convenience should be a huge concern for all parties involved in service delivery. To decrease relevant costs today there are fruitful opportunities with the help of technology. In the following sections, these modern technologies, beginning with the digitalization of services, SSTs (from telephone-voice response to interactive kiosks and further), and mobile services in particular, and implementations in different fields in the service sector are discussed in detail.

4.1. Digitalization and E-Services

Rapid innovations and ongoing introduction of the latest technologies shape today's world with interactive and dynamic digital services (Mishra, Maheswarappa, & Colby, 2018). Technology is the use of science in solving problems or performing such activities. E-service is basically offering services via Internet-based information technologies, that are open for the use of people, businesses or other electronic services, such as a bank's online account services, Automatic Teller Machines (ATMs), a courier company's package tracking service, online booking sites, a supermarket's self-check-out option, etc. (Hoffman & Bateson, 2010). Due to the stated importance of service convenience for service providers (Benoit, Klose, & Ettinger, 2017) and customers, being a part of the online world or providing e-services is a necessity.

Since it is considered that success of services can be measured by the degree of personalization, timeliness, accessibility from anywhere and/or enjoyableness (Leimeister, Österle, & Alter, 2014), the digital world helps consumers to be just one click away to the desired product. But in the presence of heightened competition, service providers also need to be on the alert. They need to differentiate the marketed benefits by usefulness, ease of use and customization level. Based on this logic, the authors portrayed a "*path to the digital society*" describing the human, task and technology integration and interdependency after digital transformation. By asking strategic questions ("*How to handle complexity of different*

offerings?”, “*What are underlying mechanisms for explaining successful design, use, and effects of digital services for consumers?*”, etc.), the foundations of the digital society (connected digital users) are explained and the potentials of a new wave of innovations caused by these mechanisms was opened for discussion. In the information age, consumer data gets the attention of many companies, along with the ones who deal with big data. Companies like Google and Amazon are among the largest players, as service providers, in processing the data and gaining customer insight on future behavior. The resulting issues become very valuable inputs for new service or new companies. Berry (2016) referred to Google as an “*online information department store*”. A variety of electronic service offerings are available for use for free, or as freemium/premium services, such as LinkedIn, Dropbox (Leimeister et al., 2014), Netflix for entertainment business (Berry, 2016; Wayne, 2018), Spotify which is a music streaming service providing cloud-like functions, and the video sharing site Youtube (Lee, Wishkoski, Aase, Meas, & Hubbles, 2017), etc.

Digitalization has had a significant effect on most media and entertainment businesses, because digital technologies led to lowering costs of copying and distributing information, thus information-based services. In the music industry, for example, these developments created many opportunities for consumers to easily enjoy a diverse collection of offers, very fast and with minimal costs (Aguar & Martens, 2016). Booking services provide the benefits of the online world in such areas as, hotel and restaurant reservations, travel tickets, cinemas, theaters or other art performances. Booking a flight or a hotel room online or via mobile applications can be seen as very regular and ordinary activities (Schaarschmidt & Höber, 2017). These services have been a substitute for many services or channels.

Customization is an important feature offered by online service providers. Listeners of a music streaming service can like or rate, download, create lists, share their playlists; while they are offered new content based on previous likes or downloads (Lee et al., 2017).

On the other hand, the main concern for consumers of e-services is related to the uncertainties involved, arising from risk perceptions of security, privacy and, of course, performance efficacy (Featherman & Hajli, 2016). This is because the sales and purchase process of e-services is very different from the traditional service delivery processes. The press or past studies cite this problem which also affects digital society and service economies in return: “*Some e-service providers’ lack of security control allows damaging privacy losses and the subsequent misuse of consumers’ confidential information, as in identity theft. This results in a variety of privacy risk assessments by consumers*” (Featherman, Miyazaki, & Sprott, 2010). As an interesting discussion, the authors also state that e-services perform

better in sustaining customer-service provider relationship in longer terms, due to the ongoing transmission and distant storage of customer-related or customer provided information. This might be applicable only if there are well-designed systems or service experiences, in face of security or privacy risks. To conclude, risk perceptions and trust are significant issues (Mou & Cohen, 2013) in the design and control activities of e-services, and consumers' acceptance as well, whether it stands for a commercial (such as e-banking) or non-commercial context (such as e-government service).

The health sector is an area worth discussing. A similar finding is presented in the study by Gummerus, Liljander, Pura, and Van Riel (2004) conducted in health-care services (classified as a content-based website, as an e-service provider), referred to trust as the main driver of customer satisfaction, and loyalty indirectly. Concerning the rapid evolution of information technologies, health on the Internet is advancing (Cain, Sarasohn-Kahn, & Wayne, 2000), health-care service is becoming customized and peculiar (Wang et al., 2018). Health-related information provided online is resourceful for patients (especially critical for low-income patients, people without health policies or insurance, rural patients), caregivers or service providers (Stvilia, Mon, & Yi, 2009). Goetzinger, Park, Jung Lee, and Widdows (2007) investigated the value-driven consumer e-health information search behavior, and suggested that website designers in this sector need to stress functional features of websites, since information relevance and information clarity are strongly related to perceived value, while the utilitarian value of search motivates users to repeat their actions. So, the service environment does matter. Cudmore et al. (2011) states that besides being resourceful, websites need to be gratifying and interactive for savvy users. An interesting finding is that users hold a more positive attitude toward commercial healthcare web sites than hospital-based web sites.

Another rapidly growing sector for e-services is banking, as a subfield of financial services. Marketing scholars have had a huge interest in the topic of investigating consumer behavior in several directions regarding adoption and use. Dauda and Lee (2015) performed an analysis of consumers' preference on future online banking services, which include ATMs - cardless technologies, video banking - a real-time interaction, mobile banking - mobile wallet, security services - ATMs and smartphone integration and certification, internet banking - digital currency. A study (Sikdar, Kumar, & Makkad, 2015) on Indian banking customers revealed that trust, ease of use and accessibility are valid factors for determining internet banking adoption. Yee-Loong Chong, Ooi, Lin, and Tan (2010) found that perceived usefulness, trust, and government support are the factors that all positively related to use of online banking in Vietnam. Çelik (2008) examined the adoption behavior of Turkish online

banking users and determined similar results as perceived usefulness plays an important role in Turkish users' intentions to adopt online banking.

4.2. Self-Service Technologies are Under the Spotlight

A customer can contact a seller via phone, mail or the Internet, or may take the traditional way and have a face-to-face contact. Each interactive relation, called as an encounter, is definitely an opportunity for the seller to sell its brand, sell its offerings and to create a satisfied customer base. It may also lead to one or a group of dissatisfied customers. Because service encounters are important for every industry, not just service economies, integration of technology in the process is a must for maintaining and further improving the conditions. They are vital "*moments of truth*" in which customers develop ongoing impressions about the firm. The relations and interdependence between the components; customers, company and service personnel (Bitner, 1995) were discussed in the literature with the concept titled "*services marketing triangle*". Subsequently, this concept has been stated to have a new facet, a new dimension at the top of all, called technology, and mentioned as "*services marketing pyramid*" (Parasuraman, 1996). Technology can be used by both customers and service personnel (as human-machine interaction has been started back in the day), to increase customer satisfaction, improve service recovery processes, increasing customization and flexibility, or delight customers (Bitner, Brown, & Meuter, 2000).

In fact, the term "*encounter*" was regarded as more of a high-contact service (Bitner et al., 2000), including higher human contact such as getting a haircut or dinner at a restaurant (Lovelock & Wirtz, 2011), and technology integration make the process more of a low-contact service, such as internet banking. Today, with the help of technology, there are changes in the nature of service processes and how firms deliver services, including the integration of both human interaction and technology to some degree via different channels. This development can also be seen as a part of a new perspective in marketing, omnichannel marketing (that will be shortly discussed in the following sections).

Over the years, many advancements in technology, and/or led by technology, changed how people live their lives while service providers also find many ways to integrate the latest technology into the service experience (Curran & Meuter, 2007). Service providers, practicing for the implementation of these technologies, have become successful in varying levels (Meuter, Ostrom, Bitner, & Roundtree, 2003). SSTs are just one of them.

To begin with, for SSTs, one of the most cited studies in the literature belongs to Meuter, Ostrom, Roundtree, & Bitner (2000) who defined the term as "*technological interfaces that*

enable customers to produce a service independent of direct service employee involvement". Main examples are the applications such as automated phone systems, ATMs, automated airline ticketing, self-scanning at retail stores, transactions via the Internet, etc. (Meuter & Bitner, 1998; Meuter et al., 2003). Meuter et al. (2000) classified SSTs by two dimensions: type of interface and purpose. The authors defined four main interface categories namely "telephone-based/interactive voice response", "online interfaces", "interactive free-standing kiosks" and "video/CD technologies", nearly two decades ago. Based on different purposes (which are namely "customer service", "sales transaction" and "self-help"), the authors provided various examples. For instance, interactive kiosks being used for customer service includes ATMs, automated hotel checkout; again, examples on kiosks being used for transactions are pay at the pump, car rental, and automated hotel checkout, while blood pressure or tourist information machines can be referred to as self-help kiosks. Telephone banking can be an example of a telephone-based/interactive voice response with the purpose of customer service or sales transactions. This list goes on.

Forbes (2008) offered two main types, Internet and non-Internet SSTs, to investigate the difference for the latter one in terms of service failure and recovery. Cunningham, Young and, Gerlach (2009) portrayed a classification based on the degree of separability and customization, also as opposed to the classification of traditional services. For example, online auctions or online automobile buying can be customized and highly separable (meaning that in each case, the consumer can distinguish the difference between the purchasing service and the product purchased), online baking is moderately separable, and online brokerage is highly customized and inseparable from product/service. Standardized services are retail self-scanning, ATMs (moderate separability), and interactive phone systems (inseparable). Blut, Wang and Schoefer (2016) referred to the moderating effects of SST types and distinguish transaction (online payment) and self-help SSTs (airport self check-in), kiosk and internet SSTs, public (ATMs) and private SSTs.

The concept (SST) has a very broad scope, in fact. It includes many technological facets that allow customers to perform the service by themselves, instead of any type of presence of a service employee (Meuter & Bitner, 1998), face-to-face or online. However, these systems need to be designed very properly.

4.2.1. Self-Service vs. Traditional Service Encounter

It is very important to understand the why or how consumers choose among SST options or choose between SSTs and traditional (interpersonal) service encounters, such as a choice

between a bank customer's decision to deposit money through an ATM or with a teller inside the bank (Meuter et al., 2003) or use this bank's mobile application. This choice is supposed to be the result of consumers' evaluation based on many things, but mostly advantages or disadvantages of each option and felt comfortableness with these options.

According to Meuter et al. (2000), because of its pervasive nature and easy-to-access characteristics, it has many advantages to easily handle many situations including immediate or somewhat troubling transactions. The authors referred the main benefits of SSTs for consumers compared to alternatives as the following: avoiding service personnel, saved time (speed) and money, being easy-to-use and flexibility of using without place and time constraints. Other benefits may be customization (Bitner et al., 2000) features. By solving many needs, it may perform better than the alternative interpersonal way of service delivery in such encounters (S.C. Chen, H.H. Chen, & Chen, 2009). In addition to this, customers may perceive a service encounter including an SST option as enjoying (Dabholkar, 1996).

Hoffman and Bateson (2010) referred to the main purpose of SSTs as "*to automate routine interactions between customers and providers with the goal of providing convenience and efficiency to both parties*".

From the perspective of service providers, the main benefits are related to company costs in terms of both time and money (Beatson, Lee, & Coote, 2007) (e.g. a reduced number of contact, decreased number of personnel, avoiding costs occurring by unnecessary repetitions in transactions), accessing a wider customer base (Hilton, Hughes, Little, & Marandi, 2013), reaching worldwide markets without time or geographical boundaries (Bitner, Ostrom, & Meuter, 2002) having a chance for personnel to be assigned to more critical and valuable duties, improved productivity and competitiveness (Lee & Allaway, 2002), and increased satisfaction and use continuity (Bitner et al., 2002) when it works properly.

On the other hand, to replace human service with technology to some degree, firms need to invest in new knowledge and behavior. Due to the high fixed costs of implementing SSTs to service processes at first, companies need to attract a considerable number of customers to use it (Lee & Allaway, 2002). It may be disadvantageous when the effect of technology anxiety (Meuter et al., 2003) is considered for trial decision. Consumers may have concerns about privacy and security, such as keeping the conversation confidential and not to receive uninvited communications (Bitner et al., 2000). The perceived effort required to use the relevant technology, perceived complexity of service encounter with SSTs, reliability and

accuracy of outcome and consumer control over the process are stated as characteristics associated with SSTs (Dabholkar, 1996). Consumers prefer to use SST options when it gives a sense of control, by being able to use them anytime (Michelle Bobbitt & Dabholkar, 2001).

It could be dissatisfying when a self-service design is not well designed (or has the technology and/or process failure, as well) and also very unfortunate for companies when customers do not take any responsibility for dissatisfactory encounters (Meuter et al., 2000). SSTs can be the major source of dissatisfaction when they go wrong in some part of the process. For instance, by lack of design, a hospital's automated phone system providing various options, but surprisingly the option stated "*If this is an emergency...*" as the ninth one (Hoffman & Bateson, 2010). Besides, people seeking human interaction in delivery processes may have lower degrees of satisfaction or intention to use. Consumers who are used to service assistance, may not be so eager to adopt new technologies (Lee & Allaway, 2002). Dabholkar (1996) portrayed disposition toward the use of technology-based self-service options as an important antecedent that has been highlighted very much in the literature, comprising of consumers' attitude toward using technological products and need for interaction with service personnel. Michelle Bobbitt and Dabholkar (2001) stated that service marketers should consider that consumers can be frustrated in their attempts to use SSTs, and it is important to successfully determine the goals and expectations of consumers regarding service encounter, whether it is simplicity, convenience or time-saved, etc. Because SSTs refers to the co-production of the service, it requires service customers to engage in additional behaviors (Meuter, Bitner, Ostrom, & Brown, 2005). The results of the study of Reinders, Frambach, and Kleijnen (2015) show that technology experts have fewer positive evaluations of the new self-service than technology novices, which may be an interesting fact. Even benefits are exciting, this fact cannot be useful unless customers adopt and use these technologies (Lin & Chang, 2011). At the end of the day, the most important thing is what consumers think, feel or say about the service.

As a transition, sometimes companies use some tactics on customers to practice these technologies or give incentives to gather customer attention. Some scholars (Liu, 2012; Reinders, Dabholkar, & Frambach, 2008) investigated the consequences of forced use where consumers have no other options but to use. The results of a study (Liu, 2012) showed that forced use increases anxiety and affects technology trust, satisfaction, and behavioral intentions negatively. In practice, there are such implementations that do not include forced use only, but also charging additional fees for traditional service or giving bonuses or prizes for SSTs (Reinders et al., 2008).

4.2.2. What are the Critical Issues on SSTs?

Companies are becoming more innovative with technology. Each service industry finds its ways of business innovation. Not so long ago, consumers saw the introduction of customer-oriented SSTs in restaurants and bars. Customers now can order via digital menus loaded on tablets or tableside electronic monitors (Ahn & Seo, 2018). For the hospitality and tourism industry, it has been a growing and anticipated trend that has been spread with the help of airport automated check-in machines or self-service check-in kiosks at hotels (Wei, Torres, & Hua, 2016), electronic tourist guides, tourist information kiosks, self-service systems in dining facilities (Oh, Jeong, & Baloglu, 2013), and with other newly added channels and technologies. Replacing human waiters or paper menus with technological self-service devices could give an advantageous position to a service company by providing a variety of services also caring for operational efficiency (Ahn & Seo, 2018). But, is there something missing for consumers and what should companies do? Service providers need to ask this question a lot, no matter what. Researchers also asked lots of similar questions on the assimilation and use of these technologies. Several studies investigated issues involving SSTs in several sectors, focusing on different aspects such as SST service quality (Lin & Hsieh, 2011), customer satisfaction (Meuter et al., 2000; Robertson, McDonald, Leckie, & McQuilken, 2016) loyalty (Schuster, Proudfoot, & Drennan, 2015); effects of customer readiness and individual differences (Meuter et al., 2005), technology readiness (Liljander, Gillberg, Gummerus, & Van Riel, 2006; Lin & Chang, 2011; Wang, So, & Sparks, 2017), past experiences and value (Nijssen, Schepers, & Belanche, 2016), SST design features (Zhu, Nakata, Sivakumar, & Grewal, 2007) situational variables related to time and space (Collier, R.S. Moore, Horky, & Moore, 2015), service recovery (Collier, Breazeale, & White, 2017), and so many others on such behavioral aspects.

There are notable findings from studies on SSTs in the accommodation sector. Ahn and Seo (2018) discovered the significant role of consumers' gadget-loving propensity on their responses to interactive SSTs in restaurants, stating that the effects of perceived quality of interactive SSTs on use is higher among consumers who love this kind of gadgets more. A research on the customers of a large hotel chain revealed that fun is an important antecedent on usage behavior however, some consumers may avoid using SST kiosks for options regarding the process beginning from their check-in to checkout due to the need of a technological pause on vacation (Rosenbaum & Wong, 2015). Reducing customer waiting times is one of the most important issues in service process design and with SSTs customers may experience less time-related costs. A simulation study by Kokkinou and Cranage (2013)

revealed that waiting-times in a hotel check-in process was influenced by the resources available to customers, the number of recipients, the processing speed of the self-service kiosk and the failure rate. When the processing times of kiosks are longer and they tend to fail much, people wait too much during busy hours. So, the design and the performance also are what matters. This is also one of the significant issues of the study of Oh et al., (2013). The authors declared that designers of SSTs must be careful considering hotel customers' non-technology related concerns and motivations such as privacy, to be able to design more effective SSTs. A different study (Oh, Jeong, Lee, & Warnick, 2016) provided empirical evidence on the effects of situational (waiting line and task complexity) and attitudinal variables (technology trust and anxiety) on consumers' acceptance of SSTs. Customers prefer SSTs for fast and less complicated transactions. On the other hand, when consumers have much to learn from the service provider and there are only a few people waiting in line, they may not prefer to use SSTs. This may provide valuable insights for hotel operators to also consider a proper control on the situational conditions.

There is a self-service technology infusion in transportation. Besides cost savings for companies, online check-in systems provide more choice, service convenience, and control (Lee, 2016), as well as other SSTs such as airport check-in kiosks or by the use of mobile phones (Lu, Chou, & Ling, 2009). Ku and Chen (2013) stated that the communication of service process between passengers and SSTs should be more transparent, kiosks should display pleasing visual designs, and enjoyment is an important moderator between use intention and actual behavior. In a study from Turkey (Gures, Inan, & Arslan, 2018), among Y generation passengers (Millenials), functionality, speed, and enjoyment again are found to be crucial factors affecting usage. Castillo-Manzano and López-Valpuesta (2013) investigated the choice between check-in modes (desk, online, kiosk) and discovered that the factors that determine consumers' choice are found as age and level of education, waiting time, the reason for the journey, and the type of airline. In another study (Gelderman, Paul, & Van Diemen, 2011) examining consumer choices between SSTs and interpersonal service delivery, the authors stated that time-saving SSTs are more appealing in overcrowded situations, thus perceived crowdedness is important in making choices.

For financial services and the banking sector, the use of SSTs is not something new. Withdrawing money from an ATM has become a routine for most people. The banking sector takes advantage of information technologies, and the Internet to run internal activities and to deliver services to their customers. Thus, customers are less dependent on branch banking and they tend to devote less time and effort to such activities (Martins, Oliveira, & Popovič,

2014). Eriksson and Nilsson (2007) investigated the antecedents to consumers continued use of SSTs in the context of Internet banking and found that perceived usefulness positively affects the use, but multichannel satisfaction (concerning experiences in all other channels) negatively affects the continued use of SST, as an interesting finding. In another study in the same context (Ho & Ko, 2008), the effects of SSTs on value and customer readiness were examined. The results show that characteristics of SST such as usefulness, ease of use, costs saved, and self-control positively affect consumer value and readiness. Ding, Verma, and Iqbal (2007) have a study on the drivers of choice among different service modes for financial services (investments). The authors stated that self-service customers prefer it due to personal control, saved time and effort and to avoid personal contact. In a different study (Curran & Meuter, 2005), a comparison of three technologies (ATM, telephone banking and online banking) demonstrated that there are considerable differences in terms of attitudes. According to the results, usefulness is a significant predictor of attitudes toward ATMs and telephone banking, except for online banking. Besides the ease of use affects attitudes toward ATMs only while the perceived risk is an important determinant of attitudes toward online banking.

4.3. Mobile Services – To Use or Not to Use?

Mobile devices and mobile applications initiated many changes in people's lives, the way they interact with each other and interact with companies. The number of mobile applications on the market has increased to a great extent. Applications can be used for many purposes such as undertaking some transactions related to banking services, tracking packages of shopped items, booking an airline ticket or to make check-in, or to look for information about movie theaters or tickets (Leon, 2018). On the other hand, companies also make use of mobile applications to have customer insights based on their use and consumption habits (Lee, 2018) or to create loyal customers, besides making a profit. Mobile devices are another way to deliver service (self-service), in fact even a tailor-made service, and companies should truly understand the relationship between customers and this technology (Priya, Gandhi, & Shaikh, 2018).

There is a growing trend of the use of mobile services such as mobile instant messaging applications (for communication), mobile search (for information) or mobile music services (for entertainment) (Zhou, 2011). Mobile banking has also been used by many people since its introduction. Today, banking services and numerous related activities can be handled via mobile devices. The banking activities in the modern world are becoming more and more dependent on technology (Koksal, 2016), thus, a mobile channel and its premises should be truly understood. In a recent study (Leon, 2018) on service mobile applications concerning Millennials, the author stated that information quality, ease of use, usefulness and self-efficacy

affect intention to use mobile applications, as service attributes. Another study (Priya et al., 2018) on young consumers' adoption of mobile banking revealed that perceived ease of use, usefulness, credibility and structural assurance highly increase satisfaction and use intention. According to the results of a different one in the same context (Koenig-Lewis, Palmer, & Moll, 2010) perceived usefulness, compatibility and risk are significant antecedents. Zhou (2011) stated that establishing consumers' initial trust is vital for mobile service providers. A cross-cultural study (Sampaio, Ladeira, & Santini, 2017) pointed out the consumer complaints mostly included ease of use, convenience and security reasons. Another cross-cultural study (Mortimer, Neale, Hasan, & Dunphy, 2015) revealed that national culture is an important factor in consumers' adoption. Further, it is important for companies to retain loyal mobile users, when perceived risk and satisfaction are the factors to be considered (Yuan, Y. Liu, Yao & Liu, 2016). According to Moser (2015), discussions on mobile banking point out that the number of people who adopt and use this channel will highly increase in the near future, mostly due to technological innovations and the served convenience, usefulness and availability. Considering a step forward, the author proposes the probable integration of social networks into the context of mobile banking in the related study. Malaquias and Hwang (2016) declared that mobile banking is an appealing technology where both players in the banking sector and consumers can benefit. Thus, related parties in the banking sector should work on increasing the benefit perceptions of mobile banking (Akturan & Tezcan, 2012) to support service ecosystems.

Booking hotel rooms, renting houses, or purchasing tickets for airlines, cars and other transportation vehicles through the Internet is considerably widespread among individuals. For hotel room distribution, it is one of the most important channels besides traditional channels (via agents, phone or in-hotel) with provided convenience and ease. From hotel's mobile sites and mobile booking apps offered by third party organizations (Ismail, Hemdi, Sumarjan, Hanafiah, & Zulkifly, 2017), customers get the needed information and service. A study in this context stated that customers need ease of navigation with a convenient experience while they are experiencing the technology, thus, the design of user interfaces again matters (Öztürk, Bilgihan, Nusair, & Okumuş, 2016). Mobile apps help to serve with personalized interfaces. However, for a complete personalized experience, users may need to give some personal information in return. Morosan and DeFranco (2016), who investigated users' intentions to use hotel mobile applications for personalized services, suggested that service providers should provide assurance that mobile systems are secured and have relevant measures for maintaining privacy, concerning the negative effects of privacy concerns.

Another study (Tao, M.Z. Nawaz, Nawaz, Butt, & Ahmad, 2018) indicated the importance of personalized encounters, declaring the compatibility of consumers' goals of finding an application that matches well with their tastes and lifestyles, with convenience. Besides mobile banking, perceived risk has got considerable attention in mobile shopping and mobile booking (Park & Tussyadiah, 2017) due to the intangible nature of tourism and hospitality services which affects customers' confidence over their decisions. A study (Mallat, Rossi, Tuunainen, & Öörni, 2008) examining mobile ticketing services adoption for public transportation revealed that contextual factors, such as budget, pressure by time and availability of other alternatives affect use behavior.

Healthcare services is another area that gathers both services sector participants and marketing scholars' attention. Especially in developing countries, mobile health services are gaining attention as a form of information and communications technology (Hoque & Sorwar, 2017). Deng, Mo, and Liu (2014) defined mobile health services as "*the services or applications regarding the provision of health care, prevention, diagnosis, treatment, and monitoring services via mobile devices*". Akter, Ray, and D'Ambra (2013) defined them as "*a personalized and interactive health service with the goal of providing ubiquitous and universal access to medical advice and information by any user at any time over a mobile platform*". Mobile services in this area are expanding worldwide due to the growing elderly population and chronic diseases (Zhang, Lai, & Guo, 2017). Via mobile services, people can seek medical advice, register for appointments, see medical test results or have self-treatment cures after diagnosis at their convenience (Deng et al., 2014). Although mobility maintains benefits such as portability, timeliness and ubiquitous data streaming (Wang et al., 2018), because the success of these services is highly related to the compliance of customers with instructions, the productivity of the services necessitates patient performance, also known as customer participation (Dellande, Gilly, & Graham, 2004). Again, the existence of privacy-personalization paradox was discussed in the health-care services context in mobile (Guo, Zhang, & Sun, 2016), where concerns on privacy were found to negatively affect and personalization positively affect adoption intention, but trust mediates this relation.

To conclude, benefits offered matter, but, the level of perceived risk, trust and the level of satisfactory experiences are also important antecedents in mobile services adoption and use.

5. Predicting the Near and Distant Future of Services

Marketing scholars are wondering what topics will be important for services marketing and services marketing research in the future. A research (Kunz & Hogreve, 2011) discovered

that key trends for the near future are mostly about online services, technology infusion in services, cocreation and coproduction (consumer participation to enhance service processes), dynamic customer satisfaction management, managing B2B services (especially in manufacturing firms, as declared) and some other related factors.

More knowledgeable consumers, increased use of computer-mediated communications via websites, chat rooms, established communities online (Misra, Mukherjee, & Peterson, 2008) also may force or support companies in the introduction of new services and service innovation. Companies can benefit from these environments to gain deep insights and also to adaptively personalize their service offerings individually. Considering information-based service offerings (music, video, some professional services, etc.), which is one of the fastest-growing type, consumers' options boost exponentially as the possibility of differentiating and customizing service offerings is higher (Chung, Rust, & Wedel, 2009). Customized service offerings are thought to be one of the most important trends in many sectors today and for the future.

One trend that should be discussed in detail is the concept of consumer participation, as mentioned before. Both marketing scholars and practitioners need to find-out the best-suited ways to include customers into service production and the delivery process, to different degrees and analyze its' emotional or psychological outcomes (Kunz & Hogreve, 2011). Consumers' role in design and production may vary based on the type of service offer. Active participation of consumers (also referred to with the term "*partial*" employees, because consumers can influence the outcome) can be needed in a weight-reduction programme or legal counselling (Bitner, Faranda, Hubbert, & Zeithaml, 1997). Health-care, consulting or educational services offer more opportunities for consumers to participate in the design, whereas in SSTs there is a higher probability for consumers to participate in production (Dong, 2015). Based on S-D logic (Vargo & Lusch, 2004), customers are always co-creator of value, thus, designing or designating proper roles for them to participate is important for today's companies, such as designing a self check-out or employee check-out in a shop, or providing tutoring online, mobile or face-to-face, or promoting participation in a community held by a service brand's advocates where a new service idea is discussed, and so on. Companies should make wise choices considering all facets of a service encounter.

There is a huge influence of information management on the success of any service exchange (Dong, 2015). With all benefits such as wide reach and capacity to disseminate information, social media can be an important channel to engage customers in (Pookulangara, 2012). It is a place where it is convenient for customers to share all their ideas about

companies, services, brands, etc. Besides, there is an interaction going on between participants in a virtual space, and tracking consumers or communities' demand or complaints can be possible. Marketing activities in social media offer much potential for service companies. As consumer's power is increasing with the digital age, rise of the Internet and then, social media supported and accelerated the process of individuals' integration as a powerful party. These individuals become crowds, and then, develop into network-based power centers helping to introduce new services or concepts such as crowd-funding services, crowd-selling, crowd-support, somewhat similar in philosophy to peer-to-peer forums, or sharing economy (For more detailed information about the evolution of consumer empowerment, see the study of Labrecque, vor dem Esche, Mathwick, Novak and Hofacker, 2013). Accordingly, another trend can be collaborative consumption of services, which means that services are being consumed by sharing practices (Guyader, 2018), the most popular examples can be seen in the hospitality and transportation sectors.

Tourism is one of the fastest-growing service sectors, where considerable innovations are seen for services. Hotel chains aiming for growth, listen to their customers and incorporate big data insights (will be explained in the following section) and go beyond the segmentation approach to tailored services. Much like travel companies that offer several services together (seat, meal, transport, etc.), hotel chains follow this trend and offer multiple related services in one package (Richard, 2017), which is also referred to as bundled services. There are hotel chains today that establish innovation labs and use crowdsourcing to find solutions, discover new ideas and to co-create (Richard, 2017). These service providers feel obligated to do it, because there are alternative ways, channels, service models that bring customers and suppliers together. For example, as an innovative accommodation product (Geissinger, Laurell, & Sandström, 2018), it is declared that Airbnb has affected the perceptions of service consumers and related parties. Forgacs and Dimanche (2016) defined their business model using the term "*a cloud-based matchmaker*". Thus, this peer-to-peer sharing economy platform triggered changes in the sector (Guttentag & Smith, 2017), even if they are not full substitutes of each other (Blal, Singal, & Templin, 2018). However, it is a promising field.

The main assumption is that companies will no longer compete on providing superior value, but creating and managing seamless customer experience and long-term emotional bonds by memorable experiences will be the concern (Bitner, Ostrom, & Morgan, 2008). The banking sector follows a trend toward online and virtual reality banking and new service models, like using mobile assistants. Even services including high human interaction are supported with mass-customized and more convenient service elements with the help of

technology (Gilmore, 2003). Health-care services providers enable consumers to schedule appointments online, validate insurance information in the doctor's office using portable tablets or receive information on test results or diagnosis via mobile apps (Lin & Hsieh, 2011). Companies' use of alternative channels (face-to-face, web, mobile, SSTs, telephone, etc.) together effectively has given birth to a new marketing idea referred to as omnichannel marketing, which aims for a unique brand and shopping experience. According to this marketing concept, companies need to manage and optimize the offerings and performance of each channel preferred (Öztürk & Okumuş, 2018). It is defined as an *“Optimization approach in channel management by pursuing total integration among each interaction point for brand-customer communications, brand offers and of all channels regarding design, management and control activities to deliver consistent and unique consumer value by virtue of advanced technology”* (Öztürk & Okumuş, 2018). Today, omnichannel orientation seems to have become a fundamental part of the retail banking sector (Komulainen & Makkonen, 2018) and several others.

Russell-Bennett and Baron (2015) stated fresh ideas for services as the following: services marketing for the bottom of the pyramid, virtual services, new ways to collect and measure data, big data and service analytics, and such.

5.1. Big Data, Artificial Intelligence, Robots, and Where to Go Next?

Today, big data enables many benefits, but also challenges for companies. With the help of current information and communication technologies, organizations are getting closer to their customers and creating a competitive advantage by virtue of big data approaches and the sustained customer intelligence. The ability to control customer-related data in large scales is important for service companies. This vision can support business, product and customer relationship management strategies by enabling better targeting and customization through data-driven insights (Kunz et al., 2017). Some marketing scholars (Motamarri, Akter, & Yanamandram, 2017) asked how big data analytics can affect front-line service personnel in service delivery, and stated that it may be beneficial for changing service dynamics for several reasons such as;

- managing customer value over time by linking declared customer concerns to amenable solutions,
- improving relationships by making accurate suggestions to customers by past shopping history,

- providing customized and real-time service by proactive service process design,
- creating new service offerings by seeing strategic gaps in the market,
- assisting in decision-making process and demand forecasting,
- applying dynamic pricing practices based on historical data,
- better segmentation,
- better optimization and supply chain or operational effectiveness,
- ability to control and manage service design, etc.

Because front-line personnel can be seen as the face of any service company, opportunities created with big data are important, especially in high-contact service types as in health-care or financial services. Big data has also gained scholar attention for privacy concerns and ethical aspects. The applications have begun to be used by some service industries (banking, telecommunication and utilities, etc.), while it is referred that service marketers still need to study the use of big data to improve firm performance and customer relations (George & Wakefield, 2018; Ostrom, Parasuraman, Bowen, Patricio, & Voss, 2015).

It has been said that in the upcoming decades, machine learning algorithms and artificial intelligence (AI) will play an essential role in the lives of consumers (Tuominen & Ascenção, 2016). Machine learning is a field that establishes methods appropriate for uncovering, mapping and classifying themes and trends in big data sets (Antons & Breidbach, 2018) as utilization of AI. The rapid development of AI and related new digital technologies and devices (smartphones, robotics, intelligent agents, etc.) are changing the way customers and companies interact. These company-owned or customer-owned technologies and human actors get into close touch in physical or digital service environments, creating human-technology or technology-technology encounters other than human-to-human interactions (Larivière et al., 2017). The present increase in wearable technologies will give companies a handful of opportunities for data and information. AI is definitely reshaping services, being used for many tasks and as a source of innovation. Huang and Rust (2018) discussed AI in service ecosystems both with offered opportunities and some drawbacks threatening human jobs by undertaking all tasks. The authors stated that robots for houses, hotels, restaurants or health sector automated so many things. Many service tasks have turned into self-service by virtual technologies. Besides, big data analytics is supposed to replace the job of managers, there are robots or touch-screen kiosks in place of human greeters in customer-facing services. For the diagnosis of human diseases, AI and deep learning algorithms may provide more

consistent results, such as in cancer patients (Esteva et al., 2017). There are applied technologies as integrated systems, such as in-car intelligent systems that replace problem diagnosis by technicians in the automotive industry (Huang & Rust, 2018). In the report of OECD (2019), the impact and applications of AI in society are presented in detail with examples from various areas, including transportation, financial services, marketing, advertising, security, public sector, etc. Briefly, the impact of AI on the service sector could be good for increasing productivity and all benefits including cost savings, but thinking of human labor and jobs, maybe businesses need to approach with caution. Another recent study by Wirtz et al. (2018) on the potential role of service robots revealed that these technologies will have significant implications concerning individual experiences, the market and the prices, and all key stakeholders at the macro level. The authors defined service robots as “*system-based autonomous and adaptable interfaces that interact, communicate and deliver service to an organization’s customers*”. They also classified service robots based on task type (physical or virtual service robots: humanoid or non-humanoid robots) and the recipient of the service (holograph-based, video-based, voice-based, text-based, software integrated) referring different examples. At the macro level, considerable cost-saving can be the issue that matters the most.

Ivanov, Webster, and Berezina (2017) studied the adoption of robots and service automation by tourism and hospitality companies. Supported by AI, there is an increase in the level of the use of automation and robots in this sector. The authors presented examples from a hotel in Japan that has no human employees, hotel rooms with a smart digital assistant managed with voice-control in the USA, or totally automated restaurants. In hotels, robots can handle many tasks; house-keeping, delivery, assistance, or in an event, robots can assist, work as booth attendants, chefs, cleaners, bartenders, servers or guides. In an airport terminal, there could be an airport robot guide, bag drop robots, robotic agents for customer service, entertainment robots, etc. There could be a robot sales agent in a travel agency. Besides, service automation would be highly used with mobile apps, QR codes, interactive kiosks or displays.

The predictions on the future of the tourism and hospitality sector vary in the literature. Projections concerning emerging economies, information and communications technologies, demographic and environmental changes and such factors refer to changes in the role of hotels. In their study, Tuominen and Ascenção (2016) presented the service design of hotels of the future, integrating wireless, mobile, wearable technologies by different scenarios; including attributes such as a personal monitoring device held by a travel guide, wristwatches

keeping track of bodily functions, or sensor floors in rooms to gain real-time customer insight. According to their study, robotic butlers, holographic screens, personal wireless monitoring, personalized sounds/odors, remote medical assistance, automated luggage-handling, automated room access with near field communications (NFC) are declared among the most relevant technologies of the near future also available for the hospitality and tourism sector. Kalakou, Psaraki-Kalouptsidi, and Moura (2015) conducted a study on future airport terminals simulating such new technologies; automated bag-drop off systems, passenger and baggage check-in via SSTs, smart security measures, use of biometric machines for identity confirmation (facial and voice recognition systems), besides the use of NFC to allow transfer of data between enabled devices, smartphones as wallets and big data for an improved customer experience.

In fact, consumers in today's world are used to service automation which is also seen in ATMs, store self check-outs and vending machines (Ivanov, Webster & Berezina, 2017). But the aforementioned examples are the next level due to equipped technology.

6. Conclusion

Today, there are new ways of service creation and consumption owing to great amounts of available consumer data and technology. The proliferation of new service channels and new services offers potential for making such contributions to society and people's everyday life. E-services emerge for many service sectors including communication, retail shopping, entertainment business, health-care, finance, etc. (Leimeister et al., 2014). Globalization, increasing wealth and standards of living in developed or developing countries, individuals rising expectations for personalized services for education, entertainment, and some others also work as a driving force in such sectors (Barrett, Davidson, Prabhu, & Vargo, 2015). Based on their study, Tuominen and Ascenção (2016) declared the most important and valued driving forces behind the service design of the future as fragmented consumer types, technology, aging populations, global warming, urbanization, increasing wealth, slow culture for food, travel, etc., and the list goes on with other factors. Durmusoglu et al. (2018) stated that in emerging economies, specific external factors; economic turbulence, political instability or the weather could force organizations to offer innovative products.

Service innovation is dynamic, transformative and interactive, but can also be seen as risky (Witell et al., 2015). But, to catch up with the new world and conditions, service innovation is a must for companies. As mentioned earlier, there are many new technologies to choose from; SSTs, mobile services, robotics, etc. SSTs are employed by many service

sectors, banks, insurance companies, hotels, and by a variety of retail operations (Hoffman & Bateson, 2010). A service provider may adopt SSTs as a mechanism to co-create value, but they also need to consider the consequences of shifting responsibility to the consumer in some degree (Hilton et al., 2013). Besides, businesses should not think that customers view all options favorably (Rosenbaum & Wong, 2015). On the adoption of service robots, Wirtz et al. (2018) stated that it depends on how well these robots satisfy functional needs, and also emotional and relational needs. Besides, SSTs and robotics could be different in terms of flexibility of interaction and service scripts, customers' error tolerance and service recovery solutions.

When choosing a new way in the design or delivery of a service offering, service providers should aim to gather the best of each alternatives considering the aforementioned benefits and drawbacks in previous sections. Both profitability for the business and value for consumers matter. Accordingly, adoption, use or likability of these innovations will change. An honest projection about the effects of the related innovations on service convenience, service quality and loyalty should be made and analyzed.

Due to the increasing number of participants in the service field (Fisk & Grove, 2010), today's service ecosystems are crowded and sometimes overloaded. Thus, these analysis processes also can be made with the help of related technologies, making use of consumer data, AI and big data analytics to obtain accurate and valuable results.

Changing trends in consumption styles and consumers should be the main concern on business decisions. For example, it is found that younger consumers are more interested in the newest technologies (Harris, Cox, Musgrove, & Ernstberger, 2016) in the context of banking services, so for the adoption of these innovations, service providers may look for these target audiences first. They need to both encourage consumers to use these technologies and offer alternatives for people who are not so capable or ready to adopt new technologies (Lin & Hsieh, 2012). There can be more work on the benefits sought by the offers of technology to be fully understood (Curran & Meuter, 2005) because, as declared by some scholars (Sharma et al., 2018), there are many questions to be answered or research gaps to resolve.

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