Chapter 4.3

A Strategic Framework for Integrating Web 2.0 into the Marketing Mix

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ABSTRACT

Marketing strategy set by the marketing mix has remained fundamentally the same through years of other business disciplines being significantly disrupted by emerging technologies. Emerging Web 2.0 technologies such as wikis, blogs, YouTube, and virtual worlds are not only affecting how companies tactically approach marketing, but also their marketing strategies. This chapter will explore the impact of Web 2.0 technologies on marketing and brand management and how companies can leverage these technologies to strengthen relationships between their brands and consumers through a Web 2.0 marketing mix. This new Web 2.0 marketing mix supplements the traditional four-p marketing mix (price, product, promotion, and placement) with a new “p” lens: participation. The focus of this analysis is on B2C marketing of products and services only.

INTRODUCTION

Marketing has gone through a number of evolutions and technology has revolutionized a number of disciplines. New generations of consumers are consuming media in a different fashion than before. Gone are the days of the 30-second Super Bowl advertisements and here are the days of Facebook, Flickr, and MySpace. Collaborating and participating on the Internet is the preferred entertainment. Web 2.0 technologies such as wikis, blogs, YouTube, and Second Life are changing the behavior of consumers like never before.

- Empowering them with knowledge from a myriad of sources
- Enabling them to self-organize around brands and share their passion (or dissatisfaction) for a brand
- Enabling them to act as marketers of brands

Marketing strategy set by the marketing mix has remained fundamentally the same through years of other business disciplines being significantly disrupted by emerging technologies. However, Web

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This chapter will explore the impact of Web 2.0 technologies on marketing and brand management and how companies can leverage these technologies to strengthen relationships between their brands and consumers through a Web 2.0 marketing mix. The focus of this analysis is on business-to-consumer (B2C) marketing of products and services only.

BACKGROUND: WEB 2.0 TECHNOLOGIES AND MARKETING

Web 2.0 technologies, also known as social software technologies, are a second generation of Web-based communities and services that facilitate collaboration and sharing between users. Web 2.0 does not refer to an update to any technical specifications of the Web but to changes in the way it is being used. These technologies are built on an architecture of participation (“Web 2.0,” 2007).

Little has been published about Web 2.0 technologies, particularly about their effect on marketing. In 2004, High Intensity Marketing explored the effects of a new emerging stream of networked technologies on marketing. However, these technologies were the mere beginning of what was to explode a few years later as Web 2.0. (Mootee, 2004). Wikinomics: How Mass Collaboration Changes Everything discussed Web 2.0 technologies, with examples of companies’ use to interact with their consumers and improve their product offerings (Tapscott & Williams, 2006). The American Marketing Association (AMA) is one of the largest professional organizations for marketers and is trusted to provide relevant marketing information to experienced marketers. One channel through which it educates its members is conferences. The AMA has just begun to acknowledge how Web 2.0 is disrupting traditional marketing theory. In 2008, the AMA hosted its first conferences on Web 2.0 (social media) and marketing. The conferences focused on how companies need to recognize the impact social media has on their brands and how they can benefit from using social media as new marketing tools (American Marketing Association, 2007a).

Not surprisingly, the most written about this relationship between Web 2.0 technologies and marketing has been via Web 2.0 technologies themselves, particularly blogs. Blogs, also known as weblogs, are shared online journals or diaries where people can post entries via the Web. LiveJournal, Blogger, and WordPress are examples of online blog services where users can post their thoughts with an emphasis on user interaction within the community. LiveJournal is one of the most popular, with currently over 14 million journals and communities. Numerous individuals blog daily about what they are witnessing and hearing about in the marketing world. These same individuals then harness the power of Web 2.0 by linking to each other’s blogs and commenting on the author’s thoughts. What results is insightful speculation about trends emerging as a result of Web 2.0’s impact on marketing and brand management.

THE TRADITIONAL MARKETING MIX (FOUR Ps)

With such revolutionary technologies disrupting consumers’ lives, many businesses wonder what the implication is to the marketing of their products and brands.

The marketing mix, invented in the 1950s, is the mix of controllable marketing variables that a company uses to pursue the desired level of sales in the target market. The most common model of these factors is the four-factor classification called the four Ps. Optimization of the marketing mix is achieved by assigning the amount of the marketing budget to be spent on each element