

## Market Transformation is Changing Consumption (Purchasing Patterns or Behaviour) Resulting in Technology Driven Customer Experiences

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### Abstract

The very purpose of this research paper is to illustrate the market transformation. Market transformation is nothing but the shift in the marketing process from traditional (offline) to digital (online). It is changing the consumption in terms of demand, buying behaviour of the customers for both the products and services. It is also an attempt to illustrate technology as market driver today for product.

The main objective of this paper is to illustrate changing shift in marketing from the very traditional to modern that is technologically empowered and makes use of user generated content. It is observed that there is change in traditional marketing towards modern marketing. This modern marketing is utilizing technology and social media tools to create user generated content that may be used for marketing purposes.

Author also wishes to highlight the significance and importance of use of technology in the form of user generated content by the organizations as a part of their marketing (process and strategy). Even the technology enhancements can be seen as one of the influential aspects for deciding regulations by the (government) authorities. The said paper is an attempt to portray certain facts as examples in this context. No statistical tests have been conducted for this paper. Examples are provided with relevant sources as empirical data.

The said research paper is empirical research paper that is based on reported facts and findings. This paper incorporates mixed methodology (contains qualitative as well as quantitative) data from various sources. The sources of data are surveys from organizations, news articles from newspapers, and others.

*Key Words: Market Transformation, Consumption Pattern, Technology, Buying Behaviour, Technology Driven Marketing, International Marketing, User Generated Content.*

### Introduction:

In the context of tentative results, the researcher would like to put forward the fact that 'technology' aspect will become more and more significant and important for the organizations in future and will drive their business. Today technology developments are empowering the marketing communication by the organizations. As stated above, people rely more than ever on their social networks when making any buying decisions. This research paper is therefore an attempt to illustrate changing shift in marketing from the very traditional to modern that is technologically empowered and makes use of user generated content.

Market is changing – it is transforming (Marketo, 2016)

Across the world, technology is changing the way of doing business, operating businesses and marketing the business. This is true for all industries including manufacturing (products) and services sector. Existing internet services and technology enabled mobile networks supported with easy availability of smartphones (phones with enhanced features) has increased access to information for everyone.

The days of telephone based marketers are no more existent today. Technology is producing (or generating) newer business processes and models. These are being utilized by a proliferation of mobile touch points and ubiquitous data that enables a meaningful shift in (buyer) engagement.

Just take a look at some of the developments in the last few years:

- Artificial intelligence was once something we only saw in science fiction movies and is now it is used to create new, innovative tech products like Amazon's Alexa and Google's self-driving car.
- Get your byte at Bengeluru's first Robot Restaurant. At Bengeluru's first-ever robot –themed restaurant, now customers are attended by robots or chatbots. More details about this are covered in this paper.

- The world's largest taxi company, Uber, does not own vehicles. Uber uses technology and mobile devices to connect a marketplace of individuals who need rides to individuals with cars.
- Virtual reality (VR) was used in hospitality and travel industry to attract tourists to travel destination. This is new tool and has become popular expressions in this technology era. More details about this are covered in this paper.
- Facebook mobile ads did not exist 24 months ago and it's now a leading advertising platform.

These above listed examples illustrate that organizations are utilizing the newer ways of marketing that is assisted by technology. This has enabled organizations to reach their buyers and have engagement with them.

According to (Marketo, 2016) the market is changing, transforming showing following characteristics:

- Marketing is made powerful by Technology
- Growing data
- An entire organization is impacted by Technology
- Marketing is made powerful by Technology

Mobile is dominating the buyers' mindshare. On average, smartphone owners spend two hours a day accessing apps and websites on their phone and pick up or glance at their phones 150 to 200 times a day (Forrester Research Report, 2015).

- Growing data

With increasing social media penetration and growth in smartphone users there is ongoing generation of data due to use of social media tools. It is therefore become essential for organizations to manage this growing. Now they have to learn how to use the same to reach existing and prospective buyers. This will be a priority in the next three to five years, and thus illustrates the importance of intent-based marketing and creating emotional connections. According to (Marketo, 2016) several research studies in the past has shown that buyers cannot predict their future behaviors, making it difficult for the organizations to predict how and when to engage them. Big data can help uncover these hidden insights.

- An entire organization is impacted by Technology

According to (Marketo, 2016) organizations themselves has been impacted by the technology. It is observed that whether it is new platforms, data capabilities, or technology, the way of doing marketing – interaction and engagement with the buyers is fundamentally changing.

According to a survey by The Economist Intelligence Unit, 86% of the chief marketing officers and senior marketing executives believe they will own the end-to-end customer experience by 2020. This implicates that the chief marketing officers' definition of success is being redefined.

Today marketing to organizations is no longer limited to just acquiring customers and retaining them. It is now towards enhancing the customer experience. Today, leading organizations like eBay have adopted goals such as incremental revenue and return on investment, translating to customer lifetime value. Marketing today is about assessment of investment returns on product and technology, making it imperative to work closely with product, engineering, and sales.

Digital Market – it is driving customer experiences (Superoffice, 2019)

According to (Superoffice, 2019), a digital market is the changed market (digital transformation). Today organizations themselves are impacted by the technology. It is observed that whether it is new platforms, data capabilities, or technology, the way of doing marketing – interaction and engagement with the buyers is fundamentally changing.

Digital transformation is nothing but the integration of digital technology into all areas of any organization, resulting in fundamental changes in how a business operates and the value they deliver to their customers.

In simpler words, it is about changing the way any organization interacts with its customers and how they provide their customers with a consistent experience whenever and wherever they need it.

In fact, when asked about factors that influence any organization's a decision to implement a digital transformation strategy, nearly half of all organizations cited that customer experience and customer satisfaction are the key influencing factors for them. It was seen that the organizations that do transform digitally are creating highly engaged customers.

Digital market provides organizations an opportunity to understand the modern-day buyer, engage with them and deliver on their expectations of a multi-channel customer experience.

According to (Superoffice, 2019), the digital transformation has following aspects:

- An agile, flexible IT (information technology) environment
  - Personalized customer experiences
  - A seamless multi-channel experience
3. EMPIRICAL DATA

### 3.1 Robot Technology in Hospitality Industry

Get your byte at Bengeluru's first Robot Restaurant.



Robots serving food at Bengeluru's first Robot Restaurant at Indiranagar. (DH Photo/B H Shivakumar)

After a success in Chennai and Coimbatore, the robot restaurant has finally opened its doors in Bengeluru. Located in a buzzing Indiranagar market, the restaurant has six smart robots that interact with the guests, serve foods and also sing birthday songs.

Each table is equipped with a tablet that diners can use to place their orders and summon the robots. The menu is focuses on Asian cuisines and the restaurant can accommodate 50 diners at a time.

Disciplined, demure and other-worldly, the robots knew exactly where to deliver. Every table had a digital tablet, and the customer just had to pick and choose order and await his/her turn. Once the food was ready, the kitchen assigned a robot ready for dispatch. In 10-15 seconds flat, the robot's path digitally marked out, the robot would head out with the food neatly arranged on a tray. At the assigned table, the robot turns to greet and guide the customer to pick up the dish.

For Venkatesh Rajendran, the Robot Restaurant founder, IT hub Bengaluru was the obvious next step after foraying into the business in his native city Chennai and Coimbatore. Rajendran is sure the 100-seater Bengaluru outlet would mimic that euphoria. To guarantee its success, the owner had an advanced Android robot at the reception, ushering in customers, guiding them to a vacant table and answering their every query.

Tech treat

Where: Robot Restaurant, 100 Ft Road, Indiranagar

When: Open all days for lunch and dinner

Source: News item in Deccan Herald, Bengeluru edition, dated August 18, 2019.

## 3.2 Virtual Reality (VR) in Travel and Tourism

This is new tool and has become popular expressions in this technology era. Their advent in travel and tourism has enormously affected the travel experience and effectiveness with which it can be offered to tourists on real time basis.

An example of use of virtual reality as travel experience tool is provided here.

Example: Aerial Tour of Marseille Vieux-Port: NOW SIT & TAKE AERIAL TOUR



Tourists wear an immersive video headset as they take part in an aerial tour of Marseille's Vieux-Port via a drone piloted by a professional pilot.

In France, the tourists wear an immersive video headset as they take part in an aerial tour of Marseille's Vieux-Port via a drone piloted by a professional pilot. General public as tourists can now enjoy by participating in this new tourist attraction called 'drone tour'. This can be done by sitting in a deckchair, facing the sea along the deck. Each person is then given the video headset, which transmits the live images filmed by a drone.

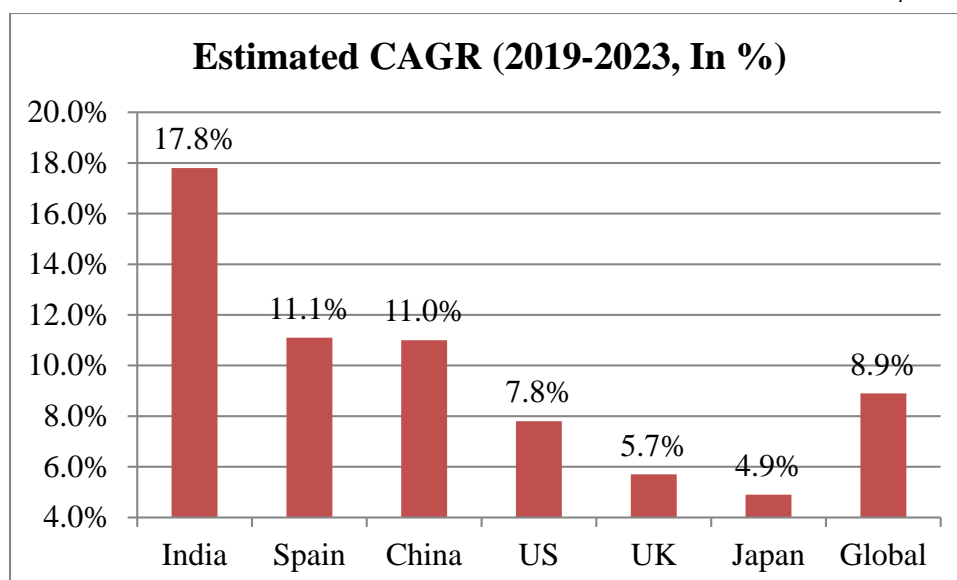
VR permits tourists using immersive video headset to experience an aerial tour of any travel destination (or spot) by sitting at designated place. This direct interaction with the travel place keeps their participation and engagement levels high and in turn propels the tourists to explore and see more and better.

Source: News item in Times of India, Pune edition dated October 16, 2018.

## 3.3 India will lead global retail e-commerce race

With the growth of retail e-commerce, there is rise in online shopping. This is supported by easy availability of mobile phones especially the smartphones. In this context, there exist several payment mechanisms for online payment.

The compounded annual growth rate (CAGR) in e-commerce sales from 2019-2023 shows that India will lead in the B2C e-commerce space with a CAGR of 17.8%.



Source: News item in Times of India, Pune edition dated June 18, 2019.

**3.4 GST Benefits to establishments using QR Code**

QR code option may be must for the shops as buyers and sellers opting for this payment will be eligible for GST Sops. Considered as one more step forward towards implementation and use of technology, now Indian government is looking to mandate QR-code based payment option using UPI (Unified Payment Interface) at all shops and establishments. It is said that buyers, sellers opting for this payment will be eligible for GST (Goods and Service Tax) benefits.

CHECKING EVASION	
While helping check evasion through cash transactions, the QR-code based payment is expected to be attractive for both the consumers and the businesses, including tax breaks on income tax.	These businessmen can pay tax at 6% instead of 8% but with card companies and banks levying a 2% fee as MDR (Merchant Discount Rate), the gain on the income tax front is lost.
Already, there is a provision for presumptive tax on the income front for those using digital payments.	In contrast, there is no cost involved in case of QR codes and the service is expected to remain free or come at a negligible cost of a few paise.

The move follows a go-ahead by the GST Council before the elections and now the details of the payment mechanisms are being worked out at the official level with National Payments of Corporation of India (NPCI) roped in to roll out nationally.

Source: News item in Times of India, Pune edition dated May 13, 2019.

**3.5 Electric Vehicle Technology Driving plans of Auto Component Organizations**

As India readies an electric vehicle (EV) rush, its top automotive component manufacturers are changing gears to capture a share of the EV pie — both at home and abroad. Companies including Rico Auto, Bharat Forge, Samvardhana Motherson Group and Pricol have all announced they are either acquiring EV tech companies or ramping up their automotive component business with an eye on global market. Of course, the numbers are still small, which is why automotive component companies are targeting both EVs and hybrids.

SHIFITNG GEARS	
Top players like Rico Auto, Bharat Forge, Samvardhana Motherson Group and Pricol have all announced that that they are either acquiring EV tech companies or ramping up	Samvardhana Motherson Group is already making electric wiring for trucks and buses, apart from supplying parts to

their business activities.	Mahindra Reva and mirrors to Tesla.
Bharat Forge which has invested Rs. 120 Cr. In picking up stakes.	EV seeding has begun in component industry, even though EVs comprise just 2% of the global auto sales.

Automotive component makers understand that investing in EV component technology and capacity is a matter of survival. Once the shift happens, huge numbers of current components will become obsolete.

“Already 40-50 local component companies are prepared with products and technologies for OEMs (original equipment manufacturers) making EVs,” said the sources from Automotive Component Manufacturers Association of India (ACMA).

Source: News item in Times of India, Pune edition dated August 14, 2019.

3.6 Print advertisements use Technology to drive customers

Shown here is a part of full page print advertisement of Indian’s largest car manufacturer for its vehicle named XL6.

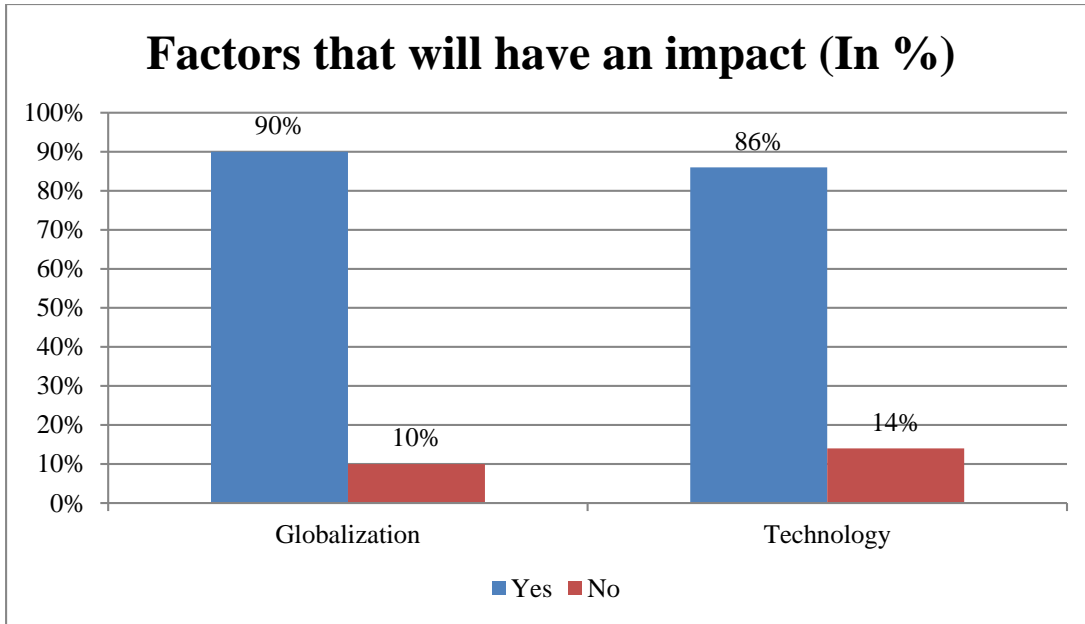


What it contains is the technique by which it will drives its offline viewers to go online. It contains a QR code and Google Lens icon. The advertisement says that ‘Scan the print ad with Google lens to watch exciting content of the XL6’. When any viewer of the advertisement scans the print ad with Google lens, it is redirected to the online page that describes various features of the vehicle XL6. The advertisement also says that ‘Scan the QR code for an exciting Facebook AR experience’. When any viewer of the advertisement scans the QR code, it is redirected to the Facebook page that shows interiors of the vehicle XL6. This Facebook page uses AR – augmented reality technique to show user how the vehicle looks from outside as well as from inside. It will enable the viewer to get a feel of the vehicle. Use of such technique may create a good perception of the vehicle in the minds of the viewer. This may increase the chances that the viewer may consider this vehicle as an option to buy when needed in future.

Source: Advertisement in Times of India, Pune edition dated August 22, 2019.

3.7 Technology to influence work atmosphere even in 2030

About 90% of Indians said globalization would impact the future of their work in a national poll of corporate workers by BD Foundation and Capgemini.



Source: Capgemini, BD Foundation

But even as we enter a more global and cosmopolitan work, Indians still feel race, caste, language barriers, ethnicity and views will hold its place in Indian corporate culture even 10 years from now.

Source: News item in Times of India, Pune edition dated May 16, 2019.

3.8 Results of Google ‘India Year in Search’ Report

Google ‘India Year in Search’ Report shows that technology is empowering the marketing across all sectors. In turn now technology is influencing the customer behaviour.

The study results for the three sectors viz. automobile, financial services, ecommerce (shopping) and other sectors are presented herewith.

Automobile

In case of automobile sector, it was observed that people now rely more on online research, social media reviews and e-bookings than the traditional methods such as test drives and visits to dealer showrooms.

The demand for an omnichannel car buying experience is increasing.

Google ‘India Year in Search’ Report cites Auto Gearshift Study Report 2017 and lists following findings:

- Nearly 90% of the car buyers research online before visiting a dealership.
- About 56% of all users visited the dealer web site while considering a car purchase, making it the third biggest online touchpoint.
- 26% growth in dealer queries.
- 8 times is growth in searches related to dealers on maps in two years.
- 2 in 3 car buyers are using search to locate the dealerships.
- 20% of the OEM’s sales were driven by digital.
- Offline touch points during a consumer's car buying journey are reducing with an increasing reliance on the web.
- Nearly 80% of the car buyers watch online video during their car buying journey and 79% takes action post watching.
- 50% reduction in the average number of dealership visits during the car buying journey in the past three years.
- Nearly 90% of the car buyers take two or more test drives.
- Car buyers agree that virtual test drives could take the wheel. Nearly 71% of the car intenders agree that a 360 degree video could potentially replace a test drive. Nearly 68% of the car intenders agree that virtual reality could potentially replace a test drive.

- Average walk-ins per buyer have fallen from 4 to 2 in three years.

Ecommerce (Shopping)

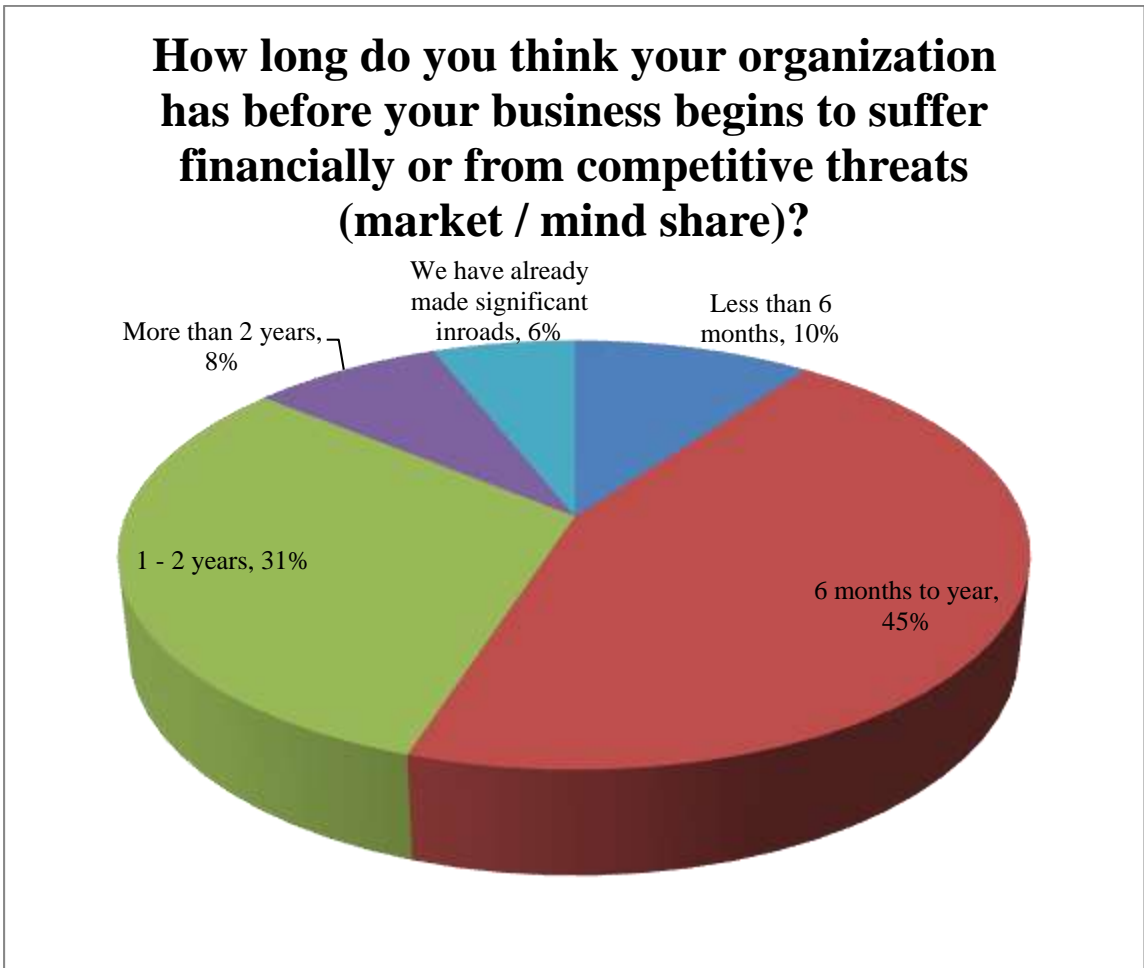
Google ‘India Year in Search’ Report cites Google Search Internal Data and lists following findings:

- 53% growth in fashion e-commerce queries.
- Nearly more than three fourth (about 78%) of the online shoppers in India have purchase fashion and lifestyle products through e-commerce in their life time.
- 38% growth in apparel queries, which the largest share of fashion searches is.
- 55% of the shoppers say that they used online video while actually shopping in a store.
- 73% growth in women’s apparel queries.
- 65% women were searching for dresses.
- 92% of women apparel searches are brand agnostic.

3.9 Superoffice (2019) Study

According to (Superoffice, 2019), that cites IDC Report, about two-thirds of the chief executive officers (CEOs) of Global 2000 companies will shift their focus from traditional, offline strategies to more modern digital strategies to improve the customer experiences before the end of 2019 – with about 34% of the companies believing that they’ll fully adopt digital transformation within 12 months or less. However, despite this forecast, the situation is far from complete digital adoption.

According to (Superoffice, 2019), that cites State of Digital Business Report prepared by Progress, about 47% of companies haven’t started their digital transformation yet – while 59% are worried that it might already be too late for them.



The same study found that about 55% of businesses believe they have less than a year before they start to suffer financially and lose market share.

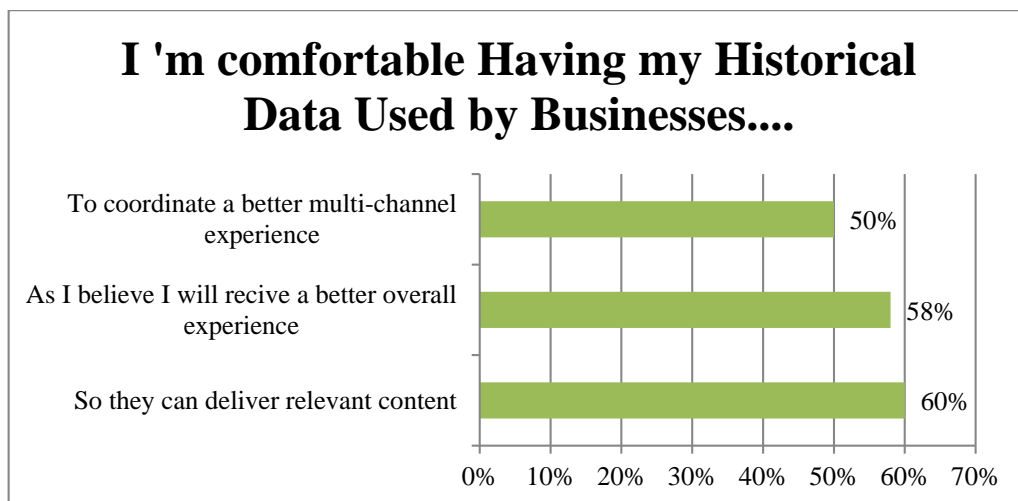
### Personalized Customer Experiences

According to (Superoffice, 2019), that cites Accenture report today's buyers want organizations to treat them as a unique individual, and know their personal preferences and purchase history.

The said report mentions that about 75% of customers agreed that they are more likely to buy from a company that:

- Recognizes them by their name
- Knows their purchase history, and
- Recommends products based on their previous buying history

The good news is that customers are happy for organizations to use their data to improve their experience.



This indicates importance and significance of user generated content.

But, in order to take advantage of this opportunity, you need to invest in CRM.

### CONCLUSION

The research paper indicates that technology is compelling organizations to change their ways of doing business, marketing strategies and relevant aspects of their business.

The research paper has highlighted importance of the user generated content, in the context of understanding of the buyers and their purchasing decisions.

There is an increasing usage of technology to evaluate purchasing options. These vary from internet, mobile devices, mobile applications and now even now social media tools. With the increasing awareness making any purchasing decisions, easy availability and access to information about products, services, organizations; now users are using technology to evaluate whether the products or services made available are meeting their needs or not.

In the context of any organization, digital transformation is both an end result and an ongoing process. It is needed that an organization has to make the initial move, and must continue to evolve or be forced out. There is no standard formula for digital transformation. When an organization sits down with their team to discuss their organization's digital future, they have to think about the near future as well as their long-term goals. To maintain relevancy, an organization will need to implement digital solutions that keep them moving forward into the digital era and not standing still or moving backwards.

To summarize, in today's fast-moving, always connected and always online community, organizations are compelled to seriously consider implementing a digital transformation strategy, if they do not have it at place

now. Digital transformation provided organizations an opportunity to engage modern buyers, and deliver (based on their expectations) a seamless customer experience regardless of the channel or the place.

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