



MARKETING IN THE AGE OF CONVERGENCE

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ABSTRACT

The marketing concept is changing its momentum as consumers profiles have changed over a period of time. The current consumers is the one who has lack of time, wide choices available, operates his/her routine activities digitally and more importantly can be considered as less brand loyal. Serving such kind of hybrid consumer poses a challenge for marketer to be all-rounder.

This paper attempts to provide a path to the marketers to design their marketing strategies on the theme of convergence. With the help of literature, the paper has been designed to solve the problems of companies by explaining the four "C's" of Convergence. However, the actual impact of convergence marketing is still needed to be explored by empirical researches.



KEYWORD: Convergence, Marketing, Consumer Behavior.

INTRODUCTION

The issue of marketing convergence has been gaining momentum in the recent time. The marketers are using various dimensions of convergence to get to the customers as well as serve them better. It is difficult to find out a proper definition of the term "convergence". The term convergence was actually coined by (Pralhad & Hamel, May-June 1990) who opined that the companies need to put together disparate or separate products and services to come-up with the new market-offerings to satisfy the

needs of the consumers. Wind (2001-2002) have said that convergence marketing can create major changes in consumer behavior as well as the marketing process.

Today, we are entering the age of the centaur. Consumers act across multiple channels. They combine timeless human needs and behaviors with new online activities. They are like the centaur of Greek mythology--half human and half horse—running with the rapid feet of new technology, yet carrying the same ancient and unpredictable human heart. This consumer is a combination of traditional and cyber, rational and emotional,

wired and physical. This consumer is not either/or, but both (Wind & Mahajan, 2001). Their lifestyle is almost same, comparable and inseparable to a machine which works for day and night for various purposes. They don't have time, energy and money to buy and use different products for different motives.

An important part of convergence marketing is product convergence. Product convergence in simple terms means the combination of different products which satisfy different consumer needs in a single unit. For example the mobile handset with having camera feature serves the purpose of being a tool of communication as well as a camera. In the new millennium we have seen many successful convergence products such as the PALM (a convergence of a mobile phone and a PDA). Earlier, in India the picture was not so

different from the rest of the world. Convergence products such as the mobile camera have been successfully marketed in India as well as the mobile phone with a built in torchlight (which was in fact the largest selling mobile handset in India before a decade). (Roy 2006; 250254). But now, in India as well the level of convergence has gone above par as we are witnessing it.

Coupled with the global economic crisis, convergence is key for firms wishing to remain profitable and successful when everyone is spending less and cutting costs and looking for greater, lasting impact. Convergence is also about excellence and creating lasting quality while forging ahead with a better model. If you are a little philosophical, you would say we must evolve. It's part reality, part dream but in the end the result is something smarter and better. Fragmentation is the new norm. Systems of the past aren't the systems of the future (Goodson, 2012). And in the same way system of current are not expected to last longer. So what is needed is convergence with multiple innovations.

Interestingly, these different types of media and platforms have also quickly merged together. For instance, mobile phones are not just communication handsets – they're also computers, HD televisions, and gaming devices and more importantly now a days a wallet, which is reflected by current Indian Government initiative i.e. "Mera Phone, Mera Wallet" all rolled into one. Customers are more willingly welcoming the initiative of carrying different payment apps at their mobile phones as it allows them to roam cashless without any hassles. Marketers are designing more reliable payment gateways and cell phones which provide them ease of use and cyber security. It's a logical progression, feeding our insatiable appetite for technology and for progress.

Another instance of convergence, we can find in case of hotel industries where people want to spend some quality time may be in the same city of their residential location or different city/ country. Marketers are understanding serving the good stay does not only require good quality room and room services but other these basic amenities, a customer always look for something more and this is provided through providing recreational activities, spas, different food outlets (national/multinational), gym, organizing events which can be easily found in almost all good category hotels under single roof.

CONVERGENCE AND CONSUMER BEHAVIOR

We are now well and truly living in an age of convergence where technological boundaries are getting obliterated and knowledge streams are gradually merging. Convergence of technological streams have produced possibilities without which the converging technological streams individually would not have been able to achieve more and more resources being devoted to technological up gradation therefore, the future presents a beguiling spectrum of opportunities just waiting to be tapped, an understanding of how and why customers adopt convergence is a prerequisite for crafting effective marketing strategies. Convergence marketing is "a science and practice of marketing products and services that are innovative and convergence intensive." It is a process of creating and developing markets for innovative products. This discipline rests on two basic premises - convergence and Innovation. 'Innovation' means striving for something new and unexpected. So here we are talking about new products and services, which are cutting edge and convergence- intensive. The rapid pace of technological advancements has drawn a lot of attention to convergence marketing. The critical success factors involved in convergence marketing are unique as are the factors leading to customer satisfaction. Understanding consumer behavior will enable marketers to understand what actually are the expectations of a consumer when they pay a price to buy a product. Being a rational consumer, he/ she want to get maximum at lesser time and efforts. Analyzing their behavior will provide best inputs to the marketers to design and innovate products and services in such a way that customer gets the best package while buying a single product

Convergence marketing is different from conventional marketing in five aspects as mentioned below:

1. Convergence adoption is a distinct process The adoption of convergence products by the customers follows a psychological map, which is different from the conventional process. Convergence very often eliminates some element of human input during the use and consumption of the product. The process of adoption of convergence by the customers will be guided by their beliefs - their predisposition to convergence, feeling of

comfort / discomfort with convergence and insecurity.

2. Convergence innovations require different marketing strategies. This principle follows from the first one. Once we recognize and understand that convergence adoption process is unique, we will become aware of the need for different marketing strategies. Many consumer goods can be marketed by appealing to the self-image of the consumer, but in case of convergence products the decision of the consumer will be governed by the functional benefits he can derive from it. For instance while buying a computer, a part from the features characteristics like user friendliness play an important role in the purchase decision.

3. Customer satisfaction is very critical. In case of convergence intensive products, especially the ones that are new to the market, customers need a lot of guidance and hand holding before they become comfortable with the use of convergence. Moreover, the extent of help and support required also varies from customer to customer.

4. Law of critical mass governs convergence markets. In many convergence industries we see one player controlling a dominant portion of the market. Often early movers gain a tremendous advantage if they are able to capture a substantial share of the market. The dominant player in such markets enjoys a significant competitive advantage.

5. Customer responsive convergence, Convergence that is designed around customer needs, accelerates the rate of adoption of convergence by the customers. It also reduces service costs as the problems faced by the customers during the use of convergence are eliminated as far as possible. It also helps the companies to build a critical mass. Unfortunately, many companies ignore this dimension of customer responsiveness while designing and marketing convergence products.

To provide further insight into convergence marketing as four “P’s”, we can say that convergence marketing is basically a mix of four “C’s” which can be:

1. Customization: Powerful brands with highly dynamic technologies look their customers as the co-producers. At a slightly higher cost, they provide certain degree of freedom to the consumers to tell how do they really want their product to be. Many cases can be found in case of gifting items, food services, eyewear, cosmetics, jeans, etc. This creates a contentment in the minds of consumers cause they are getting the things in a form which is quietly a perfect standard to them. Those companies who can provide such luxury to the consumer to be the producer of their products and services at the same time will surely ensure its win in the market. Companies can keep their standardized offerings a click away from their customized programs. They can offer superficial customization, such as different faceplates and ring tones for cellular phones, without fundamentally transforming the underlying offering

2. Coherence of Communities: The present world is a composition of physical and virtual community. Where people want products and services in online and offline mode both. Companies need to take advantage of the strengths and weaknesses of physical and virtual communities to design coherent offerings that invite interaction between the two in ways that support corporate and business objectives.

3. Channels: there should be a seamless convergence on click, call and visit channel. It means in current scenario there are customers who want to look for a product online, compare its prices online on different sites but even then he/she may choose for buying the product by visiting the store. Hence, there is a need for converging the channels of interactions with the consumers. This will enhance the consumers faith in the companies availability at every possible channel.

4. Competitive Value: this is the significant way out for marketers to provide competitive value to its customers may be in terms of multiple choices at possible lowest cost. Any convergence of products or services may click hit only when it has something new or never before. Competitors would definitely like to copy your ideas but always beating them with new ideas of convergence will lead to success.

CONCLUSION AND SUGGESTIONS

At the end this paper can suggest certain strategies of reaching and serving the new hybrid consumers. As Convergence marketing is the upcoming scenario of market, companies need to bring this insight in coordination with the regular consumer behavior study. Understanding consumers and making them feel the

most important part of their business ultimately requires the path of convergence marketing. Bringing new ideas or in other words going beyond the thoughts or expectations of consumers is the need of current market situation.

These four C's of convergence and their interactions offer rich opportunities to create new offerings from the convergence of new technology and old, and they open up creative combinations of new and existing consumer needs and behaviors. Drawing together these disparate elements is an art and requires extensive experimentation, but the results can be far more wonderful and rewarding both for chefs (companies) and their customers than the independent components alone.

LIMITATIONS OF THE STUDY

As the paper is focusing on the importance of convergence marketing, it is required to examine the impact of convergence marketing on the financial performance of the companies. Therefore, the empirical studies are required to be formulated to gauge the actual significance of convergence marketing in its applications.

The results can further be used to suggest marketers how they can enhance their brand value in the current complex market situation.

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