

## Book Review

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### **Marketing w erze technologii cyfrowych. Nowoczesne koncepcje i wyzwania**

*[Marketing in the Era of Digital Technologies. Modern Concepts and Challenges]*

Editors: Bogdan Gregor, Dominika Kaczorowska-Spychalska

PWN Publishing House, Warsaw 2018.

Big Data, the Internet of Things, artificial intelligence, and cloud computing are only a few terms that recently appear in scientific literature and everyday gossip. We may refer all of them to new business phenomena connected with digital transformation. They rely on the multidimensional impact of digital technologies on the functioning of enterprises and organizations. Even if fragmentary, the general awareness of these phenomena and processes steadily increases. Nevertheless, their consequences for the future of business are intimidating and require a holistic overview.

The book *Marketing in the Era of Digital Technologies. Modern Concepts and Challenges* was published by PWN Publishing House. It was edited by Bogdan Gregor and Dominika Kaczorowska-Spychalska who led the team of twelve authors, researchers at the University of Łódź (Robert Kozielski, Bogdan Gregor, Dominika Kaczorowska-Spychalska, Magdalena Kalińska-Kula), Kozłowski University (Grzegorz Mazurek), Wrocław University of Economics (Krystyna Mazurek-Łopacińska), Poznań University of Economics (Henryk Mruk), Cracow University of Economics (Jan Wiktor), and the Social Academy of Sciences in Łódź (Andrzej Pomykałski) along with three economic practitioners with considerable business experience (Artur Maciorowski, Lech C. Król, Mariusz Ludwiński).

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The book analyzes numerous aspects of the digital revolution in the area of marketing. The growing acceptance of modern technologies entails a faster acceleration of changes in the business. “Marketing in the Era of Digital Technologies. Modern Concepts and Challenges” consists of nine chapters. They deal with the elementary dimensions and tools of marketing activities in the era of virtualization.

*Chapter One* presents a spectrum of changes in marketing under the influence of digital transformation. However, its author remarks that digital transformation does not only mean better efficiency (pace, lower costs) of former processes, but this also means acting in a completely different way. The outcomes of digital transformation are new business models, sources of innovation, and ways of competing.

The emerging concept of MarTech (“high-tech” marketing) comprises a growing spectrum of actions, including automation of sales and marketing, social media marketing, content marketing. They indicate real-time actionability, which significantly increases the “responsiveness” of marketing. Another crucial aspect of changes is an ongoing process of networking. From this point of view, marketing coordinates activities among numerous dispersed market entities, such as creative agencies, consultancy firms, research agencies, and providers of advertising technologies.

Regardless of the positive effects of the above, we must be aware of emerging threats. They mainly concern our privacy, the protection of personal data, and the commercialization of access to data.

The analysis of the essence and sources of success in times of digital transformation is analyzed by *Chapter Two*. The starting point is the overview of the new realities of modern business understood as new economics and the idea of the fourth industrial revolution. The latter is connected with the appearance of groundbreaking technological innovations. However, the creation of a permanent competitive advantage is decreasingly dependent on the ability to create innovative products and more on the ability to build innovative business models. In turn, this approach requires an overview of the twelve key forces that will exert a considerable impact on our future, as described by Kevin Kelly.

This chapter especially concentrates on the original business model called the “four-leaf clover.” It is a holistic approach that comprises four basic elements: exploring and taking advantage of business opportunities, building a unique business concept, achieving operational efficiency, setting up organizational culture, and maintaining strong leadership.

The traditional starting point for marketing activities is the consumer and their market behavior. A new dimension of consumer behavior is the subject of *Chapter Three*, which deals with the notion of “Homo Cyber Oeconomicus.” This slightly subversive concept stems from the classical approach to Homo Sapiens. It means an evolution from the “analog consumer” through “hybrid consumer” and “digital consumer” up to Homo Cyber Oeconomicus. The specific analysis of changes in consumer behavior concerns the issue of sources of information, the manner of decision-making, the analyses of alternative choices, the role of network relationships, and the phenomenon of active participation: prosumption, mobility, consumerism, and deconsumption. As prof. dr hab. Bogdan Gregor and dr Dominika Kaczorowska-Spychalska claim, Homo Cyber Oeconomicus is an allegory of various notions and dimensions of a man oriented toward new technologies. Despite that some processes become inevitable, we must constantly think about the legal consequences of the actions of avatars and robots that become integrated into our everyday lives.

Traditionally, one of the key areas of marketing activities was the communication system. The evolving architecture of virtual communication systems is the subject of *Chapter Four*. First of all, the new architecture revolves around hypermedia computer environment. That environment is linked with the omnipresent Internet and the development of a new type of society: the Internet society. In the past, marketing communication was described by models of personal and mass communication, but today the model of communication in the virtual space dominates. Hypermedia environment emerges from hypertext and multimedia regulations. It carries fundamental consequences for the multiplicity of relations, the selectiveness and individualization of messages, the possibilities of joining global communication for every company, the range and availability of message, and the pace and flexibility of communication. Hence, an enterprise can achieve a competitive advantage not only by changes in production or pricing nature – the subject of traditional analyses – but also by the so-called information advantage. Another important consequence of the change in marketing communication model to the Internet is the opportunity to assess communication tools in relation to the actual activities and performed functions of consumers. The indicators for efficiency assessment, including the effectiveness of online communication actions, gradually become broadly available. Not so long ago, one could only dream about them.

*Chapter Five* concentrates on the key element of product policy, namely the creation of a brand. Prof. dr hab. Henryk Mruk assumes a viewpoint of the process of creating a value by a brand in the era of virtualization, which is quite a complex issue. Today, we must refer to four generations of consumers (baby boomers, X, Y, and Z generations).

Each of these groups is characterized by a different system of values. Nevertheless, we may find a few key trends in their consumer behaviors. They mainly concern expectations of individual approach, transparency, consistency of communication, adjustment to changes, time saving, emotional relationships, and respect for personal and cultural values. The strategy of building a brand position predominantly focuses on emotions, which also is a subject of increased interest of behavioral economics. The notion of positioning is losing nothing of significance, but the communication of value becomes increasingly important. Moreover, the chapter deals with the so-called personal brand concept that recently gains on importance. In many situations, the personal brand simultaneously becomes the way of building the brand of the enterprise.

In order to raise the efficiency of market activities, one must have extensive and differentiated information. Providers of this information are traditional marketing surveys. However, in the era of virtualization, it is not enough to obtain information as we face the threat of information overload. What really matters is the way of information processing and generalization. These problems are discussed in *Chapter Six*.

In the area of marketing research, there emerge new paradigms and methods of obtaining and analyzing data. Prof. dr hab. Krystyna Mazurek-Łopacińska analyzes, among others, the changes in methods of qualitative studies, the importance of cultural codes in explaining consumer behavior, and the application of mobile technology in psychographic studies. The author emphasizes tools for data-mining and ethnography in the face of the increased significance of multichannelity and multiscreening. A new paradigm of marketing research also assumes a combination of qualitative and quantitative approaches in the real and virtual space. Hence, the triangulation of recently popular methods finds new realizations.

The real challenge of recent years is the issue of Big Data and methods of advanced marketing analysis. Among others, these include models of values of customer life-cycle, algorithms clustering, models of cross-selling, models of evaluation of promotional activities efficiency, and optimization of media budgets. Albeit a methodical problem, the advantage of Big Data is its possibility of analyzing information from numerous various sources. On the other hand, its effects in Consumer Intelligence that skillfully combines the knowledge of managers and experts with applications of solutions proposed by information technologies.

Managerial decisions increasingly require useful knowledge that is generated by so-called Market Intelligence. This issue is presented in *Chapter Seven*. Achieving and maintaining a competitive advantage is currently a derivative of knowledge and

information. Obtaining, distribution, interpretation, and use of information, along with the collection and transfer of knowledge, are the basic elements of an organization's learning process. This is not an easy process, as we quickly moved from the phase of information gap to the phase of information overload. A lot of information is often irrelevant and brings only noise. Market Intelligence, in the context of the "revolution of unlimited data processing", is connected with significant support for decision-making processes in enterprises and organizations. Prof. dr hab. Bogdan Gregor and dr Magdalena Kalińska-Kula present interesting results of studies on the application of Market Intelligence in enterprises in Poland.

Digital transformation also strongly impacts the innovation processes in enterprises. This problem is analyzed in *Chapter Eight*. The original postulate for the model of so-called integrated innovation management results from three basic prerequisites recognized in the European Union countries: the postulates of intelligent development, sustainable development, and development that facilitates social inclusion. While this is a matter of indisputable importance to the innovation process, it requires to meet a certain range of conditions. Among others, they concern the pro-innovative model of economy supported by state regulations, the coordination of development processes, the assurance of adequate resources, the selection and prioritization of objectives for research and development.

*Chapter Nine* supplements the book's discussion with three fragments about selected problems described by prominent economic practitioners. These views concern specific trends in digital marketing, such as Big Data, Artificial Intelligence, the Internet of Things, the blockchain, 3D print, drones, and a whole spectrum of micro-trends. Not to mention the concept of Deep Learning – with a subversive question about the power of intelligent machines – along with the skills, competencies, and challenges of contemporary marketers.

In sum, *Marketing in the Era of Digital Technologies. Modern Concepts and Challenges* deals with a wide spectrum of issues crucial to contemporary market changes. Digital transformation poses a big challenge for many enterprises and organizations. The book allows us to realize the range and pace of changes in the modern economy. To offset that situation, the book offers an indispensable holistic overview. Managers, specialists, and theoreticians of management should seriously consider reading this publication.