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Thriving through turbulence

Lessons from marketing academia and marketing practice

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ABSTRACT

Economic, environmental, social and digital (r)evolutions have fundamentally transformed marketing theory and marketing practice. We are confronted with new concepts, methodologies, approaches and findings, and it is often difficult to see the wood from the trees. The aim of this paper is (1) to provide a coherent overview of recent developments, including the impact of the COVID-19 crisis, and the increasing attention paid to climate change, social inequality and, as a consequence, the need for sustainable consumption, (2) to link these developments to insights from academic research and responses of managers as cited in business journals, and (3) to elaborate on the marketing capabilities needed to survive in the current turbulent environment.

1. Introduction

During the past decade, companies have experienced major changes in both the macroenvironment (economy, social inequality, climate and digitalization) and the microenvironment (communication and distribution channels and consumer behavior) (see, e.g., Robinson, 2021). The ongoing COVID-19 crisis has accelerated this process (see, e.g., Anker, 2021). These developments offer the marketing profession new opportunities that relate to strategic decisions in areas such as segmentation and selection, as well as to the deployment of marketing tools. However, these developments also challenge the role of marketing in organizations: marketing must develop capabilities that allow it to make the best possible use of the existing and expected opportunities to deliver value for customers, while showing respect for stakeholders, society and the environment (see also Rust, 2020; Sheth, 2021).

In a recent article in the International Journal of Research in Marketing (IJRM), Kohli and Haenlein (2021) voiced concern that much of the current academic research is not particularly useful for marketing practice. Similar observations have been made inside and outside the marketing discipline. Discussion of the gap between marketing science and practice is not new. Kohli and Haenlein (2021) discussed several studies that address this gap (see also a special issue of the European Journal of Marketing in 2017; Moorman et al., 2019; Stremersch et al., 2021; Van Heerde et al., 2021). One of the essential prerequisites for increasing the relevance of academic marketing research is “being aware

of important marketing issues” (Kohli & Haenlein, 2021). In this paper, we summarize the most meaningful and recent developments in the macroenvironment and microenvironment of marketing that we have identified. This is followed by a discussion of the most recent developments in the marketing discipline, in which we compare relatively new concepts and methods with responses from marketing practice. As such, we compare theory and practice not in general terms as is the case in most of the aforementioned studies, but by being specific about the practical relevance of (predominantly) recent developments in theoretical concepts, methods and theories. In doing so, we aim to answer Kastanakis’ (2021) call for exploration through practically relevant imagination. Our criteria for selecting topics were based on:

- (1) the attention given to topics in the most important academic marketing and management journals;
- (2) the use of concepts and theories in marketing practice, where we use information from business-oriented journals that is based on surveys, interviews with managers etc.

Furthermore, we use a recent article in the Journal of Marketing (Jedidi et al., 2021) that develops the Relevance to Marketing (R2M) index, “a dynamic index that measures the topical and timely relevance of marketing articles to marketing practice”. The index defines marketing relevance as “the degree of the topical relation between the topics contained in an academic article and topics of marketing practice at a

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given time.” In addition, we address the capabilities required to anticipate developments and respond proactively.

Fig. 1 shows the topics covered and the structure of the paper.

2. Changes in the macroenvironment

Without claiming to be exhaustive, we will now summarize important trends in the fields of the economy, social inequality, climate change and digitalization that are relevant to marketing management.

2.1. Economy

In the course of 2020, the global economy came to a standstill. The COVID-19 pandemic led to recessions in almost every country. During the past decade, global annual GDP growth fluctuated around +3.5%. However, in 2021 the IMF estimated that global GDP would fall by -3.5% in 2020, with an even greater fall of -4.9% for advanced economies. Service sectors that rely on face-to-face interactions saw larger contractions than manufacturing sectors. The global reduction in working hours in the second quarter of 2020 as compared to the fourth quarter of 2019 was also equivalent to a loss of 400 million full-time jobs. As the IMF (2020, p. xiii) stated: “Economies everywhere face difficult paths to pre-pandemic activity levels.” Depending, among other factors, on the availability of vaccines and the quality of therapies, the IMF expected the global economy to recover with growth of 5.5% in 2021. Other sources (Goldman Sachs Macro Outlook 2022¹) expected growth of up to 6% in 2021 (in part due to inflation) and 4.5% in 2022. The war in Ukraine, however, slows down global growth. The IMF (2022) now expects a 3.6% global growth in 2022 and 2023. The growth forecast for the Eurozone is revised from 3.9% to 2.8% in 2022.

2.2. Social inequality

The 2020 World Social Report by the United Nations sheds light on where we stand with social inequality. During the past three decades, income inequality has increased in most developed countries and in some middle-income countries. Income and wealth are increasingly concentrated at the top. The world is also a long way from achieving equality of opportunity: the chance of succeeding in life depends on circumstances beyond an individual’s control, such as gender, ethnicity, migration status and parents’ socioeconomic status. Notwithstanding the expected recovery in the global economy in the post-COVID era, close to 90 million people worldwide are expected to fall into extreme deprivation (IMF, 2021), thereby increasing economic and social inequality.

2.3. Climate change

The Paris and Glasgow agreements of 2015 and 2021 respectively were unequivocal: the global temperature increase and the rate of climate change are (still) unacceptably high. Although there was a 5.6% drop in global greenhouse gas emissions due to the COVID-19 pandemic, this proved to be a short-term reduction (WMO, 2021). Climate change may also increase social inequality (United Nations, 2020), while extreme weather events do not affect people uniformly. Countries will have to pursue an economic recovery that prioritizes decarbonization. Production and consumption patterns will have to be adapted to avoid (further) depletion of the earth’s resources. A growing global consumer class will have to change their attitudes and behavior with regard to the bundle of goods and services they take for granted as everyday necessities (Welch & Southerton, 2019).

¹ Goldman Sachs Research (2021), Outlook 2022: The Long Road to Higher Rates: <https://www.goldmansachs.com/insights/pages/outlook-2022-the-long-road-to-higher-rates.html>.

2.4. Digitalization

There is no doubt that digitalization has a profound impact on our living environment. In this context, we will discuss the Internet of Things, robots and chatbots, communication and distribution channels and data and data analysis. Artificial Intelligence (AI) and Augmented Reality (AR) also play a role (Wedel et al., 2020; also see the special issue “New Technologies in Marketing” of the Journal of Marketing, 2022, vol. 86, 1).

2.4.1. Internet of Things

The term “Internet of Things” refers to devices that communicate with each other online. Examples include smart energy meters that can be read remotely and automatically generate usage recommendations, printers that automatically order ink when the remaining quantity falls below a certain minimum, and (in the near future) refrigerators that place orders and cars that issue a payment order for their own insurance. Devices are no longer just physical objects; they are also becoming a part of information and communication technology (Taylor et al., 2018). Data generated by such devices can provide information on usage patterns, on where the device is used, and if linked to geo-demographic data also on the socio-economic profile of users, thus contributing to big data.

2.4.2. Robots and chatbots

A “robot” is a programmable machine that can independently perform a complex series of tasks. While robots have long been used in the production of goods, they are now also being used successfully to provide services. This can take place behind the scenes, such as with robots that perform (parts of) medical operations without the patient being aware of it. Further examples include drones that inspect ports or deliver packages, medical supplies and food. IMF, 2020, Amazon received federal approval for the operation of a fleet of delivery drones to deliver packages to customers. In Iceland, the online retailer Aha offers drone deliveries of packages in Reykjavik, and in Amsterdam, the meal delivery service Thuisbezorgd.nl is testing food delivery by drone. The development and use of applications such as these has accelerated due to the social distancing mandated in response to COVID-19 (Hoekstra & Leeflang, 2020). Where robots provide services in direct interaction with humans, we speak of social robots. Mende et al. (2019) provide an overview of the applications of robots. These include robots that take orders and serve meals in hotels and restaurants or greet guests in shopping malls. One famous example is “Pepper”, which was released in 2014. It is equipped with AI, has facial recognition software and can detect human feelings and interact with guests by serving a beer or suggesting an alternative place to eat and drink if the guest is dissatisfied.

The term “chatbot” refers to robots that serve as automated conversation partners. Pepper is an example of this, as are “voice assistants” such as Alexa, Google Assistant and Siri. Chatbots recognize the intent of the conversational partner, conduct a conversation in a natural language using image or sound and respond based on data and rules. They are learning systems that develop knowledge and expand their communication skills based on their experiences.

2.4.3. Data and data analysis

Knowledge about the customer is the starting point for marketing decisions. In the past decades, that knowledge was primarily acquired through market research. Using information from that research, groups of customers (consumers) were described in terms of averages. Knowledge of the individual customer was usually not available to a company, and a market-oriented company (which divides the market into segments) did not need it. Recent global growth in spending on market research was already limited (4%). However, due to the economic

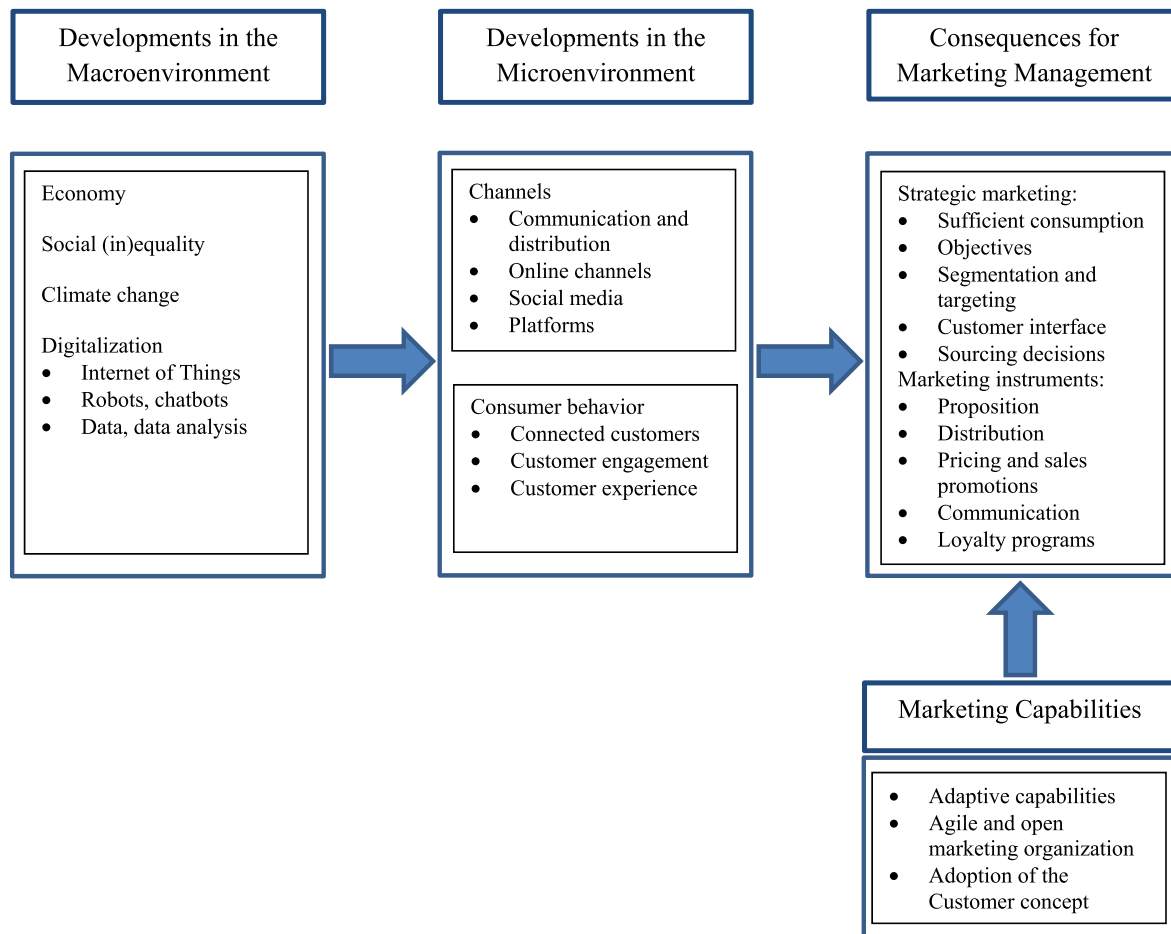


Fig. 1. Structure of the paper.

slowdown in many countries caused by the COVID-19 outbreak and the measures to contain it, market research spending is expected to have declined by 2.4% globally, from \$75.8 billion in 2019 to \$74 billion in 2020.² After 2020, market research spending is expected to recover and grow at a rate of 4% from 2021 onwards and reach \$82.9 billion in 2023. With regard to the research method, we see an increase in ad hoc research (now 37%) at the expense of panel research (now 32%). We also see growth in the use of experiments, eye tracking technology, neuromarketing, the adoption of Artificial Intelligence (AI) and the generation of “laws” (generalizations) about how “marketing works”.

The development of the Internet and the rise of social media has led to a dramatic increase in the availability of individual consumer and customer data. As a result, spending on social media monitoring and online analytics is now showing the greatest growth.³ There are numerous new data sources, including the Internet of Things, which provide information about how consumers actually use products. These new data sources deliver both structured data (such as purchases online) and relatively unstructured data, such as brand-related statements by consumers on social media. The multitude and variety of data results in complex datasets referred to as “big data”. Since existing analysis techniques are insufficient to process and analyze such complex data, new analysis techniques such as “text mining”, “machine learning” and “supervised learning” have been developed in this context (Hakim et al., 2021; Kübler et al., 2017). Machine learning techniques are computer

algorithms that independently learn from previous input and thereby improve their performance. Chatbots are also equipped with these algorithms, and machine learning is used in applications such as self-driving cars and doing inventories.

Decision-making in marketing should be based on knowledge about customers. In the past decades, much of this knowledge was generated by marketing science. Since the early 1980s, marketing science has been dominated by researchers who favor quantitative and analytical approaches. The increasing availability of data offers opportunities for researchers to develop and apply methods that advance our marketing knowledge and, more specifically, identify generalizable phenomena. Marketing science consists of the following components: specific knowledge about marketing phenomena, generalizations, and models and methods (Leeflang et al., 2015, 2017).

1. Specific knowledge about marketing phenomena

Knowledge about marketing phenomena can be acquired through specific studies, such as those analyzing the sales promotion bump (see, for example, Van Heerde et al., 2004). These studies have found that the sales promotional bump can be decomposed into three (almost) equal parts: cross-brand effects (secondary demand), cross-period effects (primary demand borrowed from other time periods and other stores) and category expansion effects (remaining primary demand). Studies of the cross-category effects of promotions on sales are another example. These studies have shown that these effects are moderate and only a few (one or two) categories are affected (Leeflang & Parreño-Selva, 2012). This means a promotion in one category will only affect, in general, the category itself and the sales in one or two other categories in a store.

² <https://www.businesswire.com/news/home/20200429005307>, accessed on 20201210.

³ Marketing News, November–December 2019.

Many other examples of specific knowledge can be found in academic articles and textbooks such as [Kotler and Armstrong \(2021\)](#).

2. Generalizations

Generalizable knowledge about marketing phenomena can be generated in several ways, including identifying regularities in customer behavior data ([Ehrenberg, 1995](#)). Generalizable knowledge can also be derived from studies that cover many circumstances (usually with multiple cross-sectional units, such as brands, markets or countries) and relatively long time periods. This often includes the use of panel data. As an example, we mention the study by [Deleersnyder et al. \(2009\)](#), who investigated the cyclical sensitivity of advertising expenditure in 37 countries in four key media types (magazines, newspapers, radio and television). For 85 country and media combinations, 25 years of data were used to explain differences between cyclical sensitivity across media and countries. Advertising appears to be considerably more sensitive to business cycle fluctuations than is the case for the economy as a whole.

Alternatively, meta-analyses offer statistical assessments of the results from several individual studies to generalize their findings, as exemplified by [Bijmolt et al. \(2005\)](#) and [Rosario et al. \(2016\)](#). See [Hanssens \(2015\)](#) for many other examples.

Generalizable knowledge can also be obtained through simulation experiments, as used by [Andrews et al. \(2011\)](#), who showed that demand models with various heterogeneity specifications do not produce more accurate sales response predictions than a homogeneous demand model applied to store-level data.

3. Models and methods

We observe the development and application of many “new” models and methods in marketing science during the past 20 years. Examples include dynamic time-series models such as VARX, Vector Error Correction Models (VECM), Structural Vector Autoregressive Models (SVAR), State space models, Dynamic Linear Models (DLM), Spatial models, Structural models, Hidden Markov models and many developments in Bayesian analyses (see [Leeflang et al., 2017](#); also see the special issue “New Technologies in Marketing” of the *Journal of Marketing*, 2022, vol. 86, 1). The Internet allows for a major online enhancement of research tools such as surveys, field experiments, lab experiments, real-time experience tracking (RET), video tracking, using path data, etcetera.

To the best of our knowledge, no conclusions have been published about the penetration of marketing decision models in marketing practice. A recent survey among marketers in the Netherlands showed that, for 72% of marketing practitioners, data-driven decision-making (DDDM) in marketing is a top priority.⁴ Although there is a positive correlation between DDDM and performance, many companies face three important challenges: lack of access to the right type of data, lack of resources and capabilities (the right people, tools, software, budget) to analyze data and lack of knowledge about how to interpret the results of analyses.

3. Changes in the microenvironment

3.1. Communication and distribution channels

Until the final decade of last century, commercial communication was a one-way street: the provider communicated to the consumer and the consumer was not supposed to communicate back. With the rise of direct marketing, this became a two-way interaction: the consumer was invited to respond to direct mail, telemarketing, etcetera. The provider

still primarily initiated the interaction. However, with the rise of the Internet and, by extension, the development of social media around fifteen years ago, the interaction between provider and consumer changed dramatically. Consumers now exploit the ability to communicate with and about brands on their own initiative with many other people, for example on forums, in (brand) communities and on social media. This is referred to as “customer engagement” (more on this in section 3.2.1). On average, we spent 145 min per day on social media⁵ in 2020, with South America showing the highest average (204 min) and Europe the lowest (75 min).⁶

Augmented Reality (AR) offers providers new communication opportunities by digitally (for example on a smartphone or TV) superimposing an additional layer of information onto physical reality. Cosmetics brands such as L’Oréal and Sephora offer the opportunity to try on makeup virtually with an AR app using selfies taken by consumers with their smartphones. Ticket sales company StubHub created an AR app which allowed users to view a 3D version of the stadium where the Super Bowl was to be played. Potential buyers could visualize the look of the field from various seats before buying a ticket.

The emergence of direct marketing and the Internet have also led to the rapid development of online stores. Between 2014 and 2020, global retail e-commerce sales more than tripled: from \$1366 billion to an estimated \$4280 billion, and are expected to reach \$6388 billion in 2024.⁷ The growth in online retail sales greatly accelerated in 2020 due to the COVID-19 pandemic, with an estimated global growth rate of 27.6%. The expectation is that consumers will retain many of their online buying habits after the COVID-19 pandemic.⁸

3.2. Consumer behavior

3.2.1. Connected customers and customer engagement

The time when we could speak of “the consumer” is long gone. While it used to be possible to establish a connection between background characteristics and (consumer) behavior in a fairly unambiguous way, this is no longer the case. The supply of goods and services has increased considerably and the variation in purchasing and usage behavior has increased enormously, not only between consumers but also for consumers individually.

Developments in the field of digitalization mean that digital technologies such as the Internet of Things and AI have increasingly become part of everyday life. In this respect, [Euromonitor International \(2019\)](#) speaks of today’s consumers as “connected consumers”. Due to the extensive availability of information, consumers are increasingly well informed. The recent [CMO Survey, 2021](#) (February 2021), for example, showed that customers desired superior products at an increasing rate during the pandemic year, while being more price conscious.

With the development of the Internet and social media, the communication behavior of consumers has changed dramatically. We are now dealing with “customer engagement” (see [Fig. 2](#)): behaviors of consumers, other than purchasing behavior, in relation to a brand or organization. One example is “Word of Mouth”, i.e., ventilating an opinion about (an experience with) a brand or organization. When this behavior takes place on the Internet or social media, it is called “one-to-many communication” or electronic Word of Mouth (eWoM). In this case, the same Word of Mouth can have an enormous reach and thus influence other consumers’ opinions, loyalty and trust. Customer engagement can therefore influence the value of the brand, both positively and negatively. Other examples of customer engagement include helping others in forums, viral marketing (spreading brand-related posts

⁵ www.statista.com, accessed 20210311.

⁶ www.broadbandsearch.net, accessed 20200912.

⁷ <https://www.emarketer.com/>, accessed 20210311.

⁸ Cramer-Flood, E. (2021), *Global Ecommerce Update 2021*, Insider Intelligence, www.emarketer.com, accessed on 20210311.

⁴ Hulsebos in: *Adformatie*, 23 October 2021, 20–23.

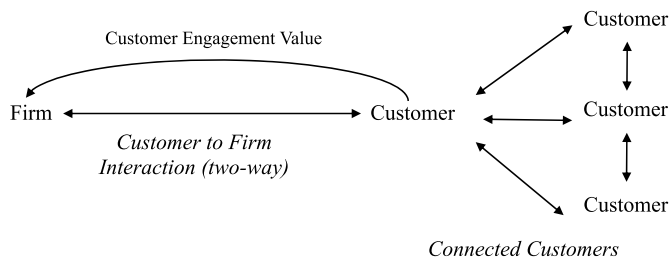


Fig. 2. Customer engagement.

by the provider) and co-creation (e.g., Kumar et al., 2010).

Customer engagement implies that, in addition to generating financial value as a result of transactions (customer lifetime value, or CLV), customers create value in other ways. For example, there is “customer influencer value”: the value that the customer generates through Word of Mouth, for example in the form of online reviews, which can attract new customers (or quite the reverse: deter them). A customer also creates “customer knowledge value”: the value generated when the customer shares knowledge with the organization, for example in the context of co-creation. Co-creation activities can be initiated by the supplier. Two examples are Lay’s “Do us a Flavor” campaign, which invited consumers to come up with ideas for new flavors of potato chips, and Lego, which invites consumers to submit proposals for new designs with the Lego Ideas initiative. However, co-creation can also be initiated by customers themselves, for example when a customer complains to a company’s customer contact center about the perceived quality of a product or service or about the handling of customer data. Customer engagement can increase brand value and reduce service costs, and offers new opportunities to interact with customers. However, it can also destroy brand value, for example if there is negative Word of Mouth (Clark et al., 2020; Verhoef et al., 2013). With regard to data protection, Martin et al. (2017) showed that transparency about a company’s data management practices and control over personal data both reduce the spread of negative Word of Mouth and decrease the negative effects on company performance.

A final development in customer behavior is “mindful consumption” (Sheth, 2021), which means devoting attention to caring for others and the environment and to sustainability and health. This is driven by moral values that are increasingly becoming part of everyday life, possibly (hopefully) encouraged by the COVID-19 pandemic, which has increased awareness of the causes and consequences of diseases. For example, Anker (2021) identified selflessness and care for others as new consumer values. Euromonitor International (2019) also observed that 28% of consumers feel good about buying products that express ecological or ethical responsibility. As regards health, consumers use apps that prevent them from spending too much on (unnecessary) food while doing their daily shopping and/or help prevent food waste. The “Too Good to Go” app, for example, provides local entrepreneurs with a platform that allows surplus food to be picked up. Attention to sustainability can also be seen in the rise of the sharing economy, in which more and more consumers share ownership and use of all kinds of products, such as cars, clothes, leisure products and toys (see Eckhardt et al., 2019; Filippas et al., 2020). Using platforms greatly eases the sharing of goods and services. This is an example of pushing the boundaries of marketing into newer areas. The Dutch advertising campaign “Value it. Repair it.” served to raise awareness among consumers with the objective of tackling the disposable economy. Another example is Vinted, a European platform where individuals can sell second-hand clothing and toys. Other options used to realize more sustainable consumption include renting, re-using and consuming recycled products (e.g., mattresses). An example of re-use is the repair of abandoned, usually old, bicycles by a firm in Amsterdam, which are then sold in countries such as Spain, where cycling is becoming increasingly

popular.

3.2.2. Importance of customer experience

The preference in consumer behavior is shifting from possession to experience (Hendrix, 2014; Morewedge et al., 2021). As Sheth (2021) states: “What matters most is consumer experience.” In the 2019 State of the Connected Customer report, 84% of eight thousand consumers surveyed said their experiences were as important as the products and services a provider provides, and 66% said they were willing to pay more for a great experience (Mulcahy, 2019).

The ultimate customer experience is formed by the entire customer journey: from the first contact with the brand to the use of the product or service and the after-sales service (see Lemon & Verhoef, 2016). Customer journeys can differ greatly between customers. The first contact can occur in many ways, for example through an advertisement or making a purchase, or through Word of Mouth (Anderl et al., 2016). All contact moments (“touchpoints”) are part of the customer journey; this applies to both direct interactions (such as contact with a customer contact center, purchase, use, after-sales service) and indirect contact (for example, the ease of finding information on the Internet, reviews on forums and Word of Mouth on social media). The customer experience is therefore not only influenced by the physical product, but also by “travelling companions” who interact with the customer during the journey (Hamilton et al., 2021) and by service elements (Kuehn et al., 2019). Physical products themselves are also increasingly transforming into services, due to developments in the Internet of Things. Added to this is the growing awareness among marketers that consumers do not buy “products” but seek solutions to problems. Value is created through use and is therefore partly determined by context (Vargo & Lusch, 2004). Coffee consumed at home has a different value to coffee on the go. A consumer is willing to spend more money on coffee on the go – and if the context is the Piazza San Marco in Venice, a lot more money. This is where value is created: in the use of the product.

The quality of the customer experience is becoming a leading indicator of future success (Mulcahy, 2019). It is up to marketing to determine which critical episodes and touchpoints in the customer journey most affect the customer experience, and subsequently to optimize that customer experience. The demand for market research in this area runs parallel to the increasing attention paid to the customer journey. With the help of mystery shoppers, the customer experience has been mapped during various journeys; these include a student journey (on behalf of universities), traveler’s journey (airline), patient journey (hospital) and employee experience.

4. Implications for marketing management

In the following section, we provide a brief overview of our observations about how the above developments affect marketing. In doing so, we distinguish consequences for strategic marketing in the sub-sections 4.1–4.5 (respectively: corporate social responsibility, objectives, segmentation and target group selection, the customer interface, and sourcing decisions), and for the marketing instruments in the sub-section 4.6–4.10 (respectively: the proposition, and decisions in the areas of distribution, price and sales promotions, communication and loyalty programs).

4.1. Corporate social responsibility: sufficient consumption

In the past decade, it has become increasingly important in the context of a company’s pursuit of Corporate Social Responsibility (CSR) to use marketing to make a positive contribution to society (also referred to as “purpose marketing” and, more recently, as “Better Marketing for a Better World” or BMBW). The percentage of S&P500 companies that publish a social responsibility or sustainability report increased from 20% in 2011 to 85% in 2019 (Ferrell & Ferrell, 2021). A recent example of purpose marketing is the announcement by Amazon of an investment

of \$10 billion in the environment to offset the pollution caused by the vehicles used to deliver their products. We also see brands such as Coca-Cola and Nivea taking a more active social role in the COVID-19 era.

There is a growing interest in sustainable consumption in academic literature and marketing practice. The special issue of the *Journal of Marketing* (May 2021) about BMBW is illustrative of this. BMBW remains peripheral to most scholars' work as published in the leading marketing journals thus far, and research in this field usually appears in specialized journals such as the *Journal of Macromarketing* and the *Journal of Cleaner Production*. In these and other journals, much attention is paid to "sufficient consumption", an approach to sustainable consumption that argues that reducing ecological footprints requires high-consuming classes to change their consumption patterns and reduce their consumption levels. Conceptually, sufficiency proposes a level of consumption that is environmentally sustainable (see, e.g., Gossen et al., 2019; Sandberg, 2021).

In the following sections, we elaborate on the implications of CSR for marketing objectives, for preconditions such as authenticity and supply chain responsibility, for the role of the customer interface and for a wide range of marketing decisions, including new product designs, distribution channels and brand positions (Chandy et al., 2021). The negative impact of corporate social irresponsibility on shareholder value and other financial indicators (Stähler & Fischer, 2020) underscores the importance of purpose marketing and authenticity.

4.2. Objectives

Due to the changes in digitalization and consumer behavior described above, it is slowly becoming apparent that the key to marketing success lies in customer orientation, where knowledge about the individual customer is the starting point for marketing decision-making (Hoekstra et al., 1999; Ramani & Kumar, 2008). For example, more and more companies offer a loyalty card and/or have developed an online store that allows them to collect customer data to provide insight into individual consumer behavior. When this includes transactions, it offers the ability to understand the financial value of individual customers (customer lifetime value, or CLV). Increasing the CLV, through increasing customer retention and other means, is an important objective. Customer feedback metrics, such as customer satisfaction, are important predictors of future customer retention (e.g., De Haan et al., 2015). This also means that customer satisfaction is a relevant objective. As it is also becoming clear that customer engagement has a direct effect on firm performance (Kumar & Pansari, 2016), creating (positive) customer engagement (Word of Mouth, recommendations, co-creation) is also an important objective for many companies.

In addition to customer value, brand value is also an important objective. This can be seen, among other phenomena, in renewed attention to investing in brands rather than "brand hacking" or "growth hacking": the (temporary) acquisition of new customers with minimal resources. This demands that executive leaders embrace a customer-focused culture (Gifford & Newmeyer, 2019; Hoekstra et al., 1999). We will elaborate on this in section 5.

Companies are also increasingly realizing that marketing decisions affect the financial value of the company. Investments in new products, new channels, advertising etc. positively affect and reduce fluctuations in the value of the company (the "risk factor"). In this regard, announcing innovations in both goods and services (Dotzel & Shankar, 2019) has the greatest impact on risk and return.

The main KPIs used to measure the success of marketing efforts are:

- Degree of customer retention (loyalty)
- Generation of potential customers ("leads")
- Customer value (such as CLV)
- Quantity and type of Word of Mouth
- Brand awareness

- Customer satisfaction
- Customer recommendations, in terms of the Net Promoter Score (NPS)

Although the Net Promoter Score has received some criticism in academic literature (e.g., Keiningham et al., 2007), it is a popular metric among firms because it is easy to measure and the findings are easy to communicate (Mintz et al., 2021). De Haan et al. (2015) tested the predictive ability of several customer feedback metrics. They demonstrated that the NPS is just as capable of predicting customer retention as the top-2 box customer satisfaction (the fraction of customers who have checked one of the top-2 boxes on a 5-point or 7-point Likert scale). Mintz et al. (2021) found that customer mindset metrics such as awareness, willingness to recommend and satisfaction can be employed most effectively by managers across most marketing mix decisions. In their sample of 439 US managers, top-level managers and marketing managers did not prefer financial metrics such as NPV, target volume or ROMI (Return On Marketing Investments). These findings illustrate the disconnection between normative recommendations to use financial metrics and the actual use of customer mindset metrics.

Market share as a KPI has been heavily discounted. The relationship between market share and numerous other KPIs, and in particular financial performance metrics, is weak (Bhattacharya et al., 2022; Edeling & Himme, 2018). Marketers also show little interest in this metric.

The objectives discussed above aim to improve customer satisfaction, company profits and shareholder value. The importance of corporate social responsibility, however, demands that the marketing profession also adopts objectives related to more sustainable consumption patterns and reducing social inequality. In this respect, Chandy et al. (2021), in introducing BMBW, suggest defining objectives that answer questions such as:

1. How can marketing actions that are financially unviable, but can do good to the world, be sustained? or
2. How can marketing actions be realized that are good for the firm and good for the world, and thus benefit multiple stakeholders?

4.3. Segmentation and target group selection

Due to the increased variation in purchasing and usage behavior, it is becoming more difficult to delineate segments in the traditional manner, i.e., based on a largely unambiguous relationship between background variables and purchasing behavior. To determine segments, one needs information about the behavior itself. This form of segmentation, "post hoc segmentation", has become easier over time as more and more companies have individual customer data at their disposal from, for example, online stores and loyalty programs (see, e.g., Bombajj & Dekimpe, 2020).

The development of sophisticated, AI-based segmentation strategies makes it possible to respond to the specific wishes of customers using individual customer data. Online target group selection can take place using social media (dynamic generation of personalized ads, see Communication) or "online display advertising", advertising using search engines, etcetera. AI plays a particularly important role in the activities of companies providing these services. It is also possible to use tools such as Google Analytics to better allocate the deployment of representatives to (potential) customers and over time. Using automated text analysis (Berger et al., 2020), it is possible to determine which parts of emails etc. are read by customers. This information can subsequently be used to compose and send targeted emails. Once responses have been received, the provider can make a highly targeted offer and then decide to visit the potential customer. The latter is especially common in B2B marketing. The importance of AI is so great that several companies (KLM, NS, Delhaize, ING and Philips) recently began working together to accelerate the development of AI.

4.4. Customer interface

There are three reasons for the growing importance of the customer interface:

- Companies have more direct customer interaction (human-human, e.g., on the phone; human-machine, e.g., via chatbots; machine-machine, e.g., when a device signals that maintenance is due using the IoT).
- Companies are increasingly aware that the customer experience is created throughout the entire customer journey and not just during individual episodes and touchpoints, such as a phone call, website visit or purchase moment.
- The service element in the “total product” is increasing, which implies more interaction with customers.

Experiences in the customer interface can be critical moments in the customer journey and can lead to unwanted customer engagement. As such, more and more organizations are explicitly working to handle complaints properly. One possible solution is to deploy robots and chatbots (Mende et al., 2019). Chatbots are increasingly being used in the customer interface in the customer service environment. Fig. 3 shows the potential benefits of this approach. In 2018, Gartner estimated that by 2020, a quarter of customer service interactions would be performed by chatbots.⁹

Chatbots can reduce customer service costs by up to thirty percent and can reduce the time it takes to answer routine questions by eighty percent¹⁰. The research in this area, which is still scarce, shows that people tend to perceive social robots as negative and threatening when they look too much like humans. However, this negative effect is smaller when the robot is not given a human face or name (Van Doorn, 2020). Experiments have also shown that consumers order more and unhealthier food and buy more expensive and status-enhancing products when dealing with a service robot (Mende et al., 2019). Other effects were found when consumers were unaware that they were dealing with a robot. An outbound telephone sales call by a chatbot is as effective as a call made by an experienced salesperson and four times more effective than a call made by a novice salesperson. However, when it is made clear that it is a conversation with a chatbot, success in terms of sales drops by almost eighty percent (Luo et al., 2019). Again, negative attitudes toward machines play a role here.

These effects are expected to change as consumers gain more experience with AI. Research from AIMultiple.com shows that around half of large companies are considering investing more in chatbots. Many companies are already working with chatbots through Facebook Messenger, but WhatsApp is also increasingly used as a channel for customer service.¹¹

4.5. Sourcing decisions

The increasing importance of acting in a sustainable and socially responsible way implies that sourcing decisions should favor suppliers who follow social and environmental responsibility standards, even though they may (and often will) be more expensive than suppliers who violate these standards. In doing so, companies practice BMBW (section 4.1). Companies that do not act responsibly may be confronted with media scrutiny and a public backlash, as Nike experienced in the 1990s after the existence of child labor, low wages and extreme working

hours¹² at their suppliers came to light. Sales subsequently decreased and the stock price dropped as a result of negative publicity (Wazir, 2001).

Environmental and social responsibility in the supply chain can be addressed through careful and continuous auditing and vertical integration. The auditing approach (with standards, audits and enforcement) has been adopted by almost all major multinationals (Oka et al., 2020). The COVID-19 pandemic and increasing global competition have forced many companies to merge and acquire suppliers.¹³

4.6. Proposition

For many companies, building brands is now more important than ever (see Jedidi et al., 2021). A key reason for this is the avalanche of communication that consumers now receive through numerous channels. Amidst this huge volume of communication, providers want their brands to reinforce the values they stand for (brand authenticity). Authenticity has become one of the most prevalent buzzwords in marketing and advertising (Becker et al., 2019; Nunes et al., 2021). We posit that authenticity is a key element of success for brands because it contributes to a unique brand image. In this context, authenticity is related to commitment to tradition, integrity, stylistic and internal consistency, sincerity, commitment to quality, honesty and downplaying commercial motives (Becker et al., 2019). Furthermore, according to the CMO Survey, 2021 (February 2021), customers have an increasing desire for superior products, while being more price conscious during the pandemic year.

Although AI is becoming an increasingly important part of the palette of marketing activities, producers are still highly committed to creativity in developing new products.¹⁴ There are some concerns about the role that marketing plays in innovation (Verhoef & Leeftang, 2009). That role has been marginalized over time, even though innovation is a very important indicator of company value (Purchase & Volery, 2020). Research by McKinsey indicates that “design” is the success factor in many innovations.¹⁵

Communication about investments and the results of R&D increases investor appreciation of the company (see for example Edeling & Fischer, 2016). In times of contraction, such as during the COVID-19 pandemic in particular, it is wise to invest in R&D and innovation (Steenkamp & Fang, 2011), not only in terms of products but also new (potentially complementary) services and processes (Hoekstra & Leeftang, 2020).

Sun et al. (2021) have shown that the production of high-end/luxury products contributes to engaging in sustainable consumption because such products are more durable. Another option is to offer services that extend the product lifespan at cost price (repair service, guaranteed residual value, etc.) with the purchase of a product.

Many firms have already investigated their current product portfolios in anticipation of changing market conditions. This was often necessitated by the COVID-19 situation. Examples include companies that produce products that the company had not previously produced, such as face masks (DSM, Auping EVOLVE), and a company that redesigned their disinfection cabinets for clothes to be used as cabinets for disinfecting persons in hospitals.

The availability of data from the IoT offers new opportunities to generate ideas for product development. For example, the analysis of

¹² How Nike solved its sweatshop problem. [BusinessInsider.com](https://www.businessinsider.com/how-nike-solved-its-sweatshop-problem-2013-5) (May 9), <https://www.businessinsider.com/how-nike-solved-its-sweatshop-problem-2013-5>.

¹³ KPMG (2021), 2021 was a blowout year for M&A – 2022 could even be bigger: <https://advisory.kpmg.us/articles/2021/blowout-year-global-ma.html>.

¹⁴ *Marketing News*, June–July 2019.

¹⁵ <https://www.mckinsey.com/business-functions/mckinsey-design/our-insights/the-business-value-of-design>, accessed on 20220124.

⁹ <https://www.gartner.com/en/newsroom/press-releases/2018-02-19>.

¹⁰ <https://www.invespro.com/blog/chatbotscustomer-service>.

¹¹ <https://research.aimultiple.com/chatbot-stats/>, accessed on 20210429.

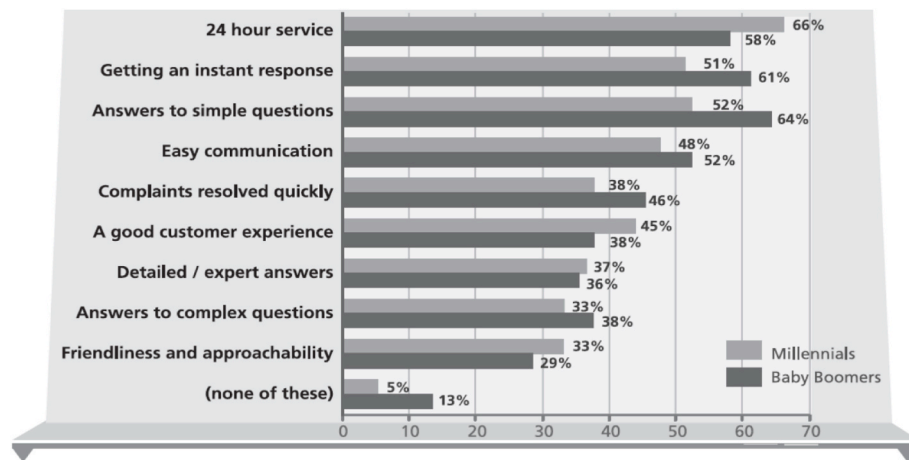


Fig. 3. Potential benefits of chatbots (Millennials vs. Baby Boomers).

Source: State of Chatbots Report 2018, USA.

usage patterns of Internet-connected devices can help companies understand the nature and intensity of use of certain functionalities and lead to product modifications and/or usage advice. The IoT can also enable new services for customers, such as an alert when maintenance is required, a change or renewal announcement or individual usage advice based on an analysis of the customer's usage data. Examples of the IoT being incorporated into the ordering processes include OTTO Ready and Amazon's Dash instant order, where devices are connected to the Internet and an order is automatically placed when a stock level reaches a certain minimum.

Partly due to the COVID-19 crisis, in which lower-income consumers in particular have exhibited more rational behavior (Boumphrey, 2020), the depth and breadth of assortments is under pressure, especially in brick-and-mortar outlets. It is expected that reduced competition will increase concentration within product categories. The shift to assortment simplification will favor the largest brands, which resonate with consumers who are looking for stability and comfort in the form of familiarity, convenience and routine.¹⁶

4.7. Distribution

More and more suppliers are using the online channel to offer their product range through the direct channel in an online store. The CMO Survey, 2021 (February 2021) showed that digital marketing pays off for most companies. The success of selling products/services online can largely be attributed to the speed with which information can be obtained about products, the fact that products are always available, the wide range of products and fast and easy delivery¹⁷ (Reinartz et al., 2019). Companies that sell both offline and online and began doing so on time are among the most successful retailers. This combination (as well as the assortment, focus on advice, expertise and service, analysis of customer data and use of the customer knowledge derived from such data) led outdoor sports store Bever to be named the best omnichannel retailer in Europe by Google in 2018. In the past decade, we have witnessed a shakeout of well-known retailers, including Neiman Marcus, J. C. Penney, Sears, Toys R Us, Hudson's Bay and CoolCat. Most of these companies had failed to organize their online sales at a level attractive to customers, had done so too late or were confronted with cannibalization of offline by online purchases. As a consequence, shopping streets attract fewer and fewer visitors, with the surviving retailers including many discounters (Steenkamp & Sloot, 2019). The arrival of Amazon in more

and more European countries is expected to make it even harder for retailers to survive.

Offline retailers may contribute to sustainable consumption by placing high-carbon labeled products close to products with a low-carbon label to create perspective and a reference point (Gossen et al., 2019). For example, the Oatly oat milk brand is placed on retail shelves near milk with a higher carbon footprint.

4.8. Pricing and sales promotions

The CMO Survey, 2019 (August 2019) gives an overview of the topics that have dominated marketing decision-making in the past decade. The top 15 topics reference neither pricing nor promotions, which leads us to conclude that managers pay little attention to these topics. This is confirmed in a study by Leeflang and Peluso (2012), in which managers and Master's students largely underestimated price elasticity (between 0 and -1, while a meta-analysis showed values around -2.6, see Bijmolt et al., 2005) and overestimated advertising elasticity (around 0.48, while a meta-analysis showed a value of around 0.12, see Sethuraman et al., 2011).

We observe a shift in price-setting methods. This is due to the increase in customer-to-customer interactions, the use of platforms and increasing opportunities to bid on prices. In service industries such as hotels, airlines and car rental firms, yield (or: revenue) management pricing is used to earn higher revenues from a relatively fixed capacity (e.g., Berman, 2005). In the academic literature, approaches have been developed to determine optimal prices, often using highly complicated and rather specific game theory models. We also observe a trend towards determining optimal prices using machine learning algorithms (Hansen et al., 2021). Bocken and Short (2016) argue that premium prices are a sustainable option if luxury goods are cherished, last longer and are used more.

In recent years, much attention has been paid to the way price discounts are communicated. Drechsler et al. (2017) used prospect theory, mental accounting and gift-giving theory to study the impact of various multi-unit promotions and single-unit promotions on store sales for four product categories. They provided empirical evidence for the superiority of "X (units) for \$Y" promotions above the "X (units) + N (Units) free" option for the same monetary discount. Quantity requirements (X units) of four to five units showed the largest effects.

4.9. Communication

For advertisers, the online channel has become the most important communication channel. Despite the COVID-19 pandemic, spending on

¹⁶ J. Walker Smith in *Marketing News*, March 22, 2021.

¹⁷ *Marketing News*, September 2019.

online advertising in the USA increased by 12% in 2020 compared to the previous year.¹⁸ In 2019, this spending exceeded that on advertising in traditional media for the first time, and is expected to account for more than two thirds of the total in 2021.¹⁹ In addition, almost 75% of companies invested in optimizing their corporate websites in 2020 to improve the performance of their digital marketing activities (CMO Survey, February 2021).

4.9.1. Advertising during the COVID-19 pandemic

Companies that maintained or increased their advertising spending during the COVID-19 pandemic took the correct decision, as research has shown that the sensitivity to advertising can be greater in a period of contraction than in a period of expansion (Steenkamp & Fang, 2011). Van Heerde et al. (2013) confirmed that this is the case for foodstuffs but not for drinks. Generalizations are therefore not possible. However, companies that maintain communication spending during a contraction can win a greater “share of voice” in the market if competitors communicate less (or not at all) during the same period (Kumar & Pauwels, 2020). “Content marketing” (blogs, vlogs, articles, press releases, newsletters and books) is also highly relevant and valued during a recession.

4.9.2. Advertising and sustainable consumption: advertising for sufficiency

Governmental and non-governmental organizations (NGOs) and firms can “advertise for sufficiency”. Advertisements that promote sufficient consumption can create a favorable image and can, as a consequence, contribute to the positioning of the firm in consumers’ minds. Claims in such advertisements may refer to the high quality of products in terms of durability, or high levels of service and extended warranties, as long as these claims are authentic. Jakobovitch and Grinstein (2016) found evidence that advertisements that promote sustainable consumption positively affect consumers’ attitudes towards the company.

Vehicles such as influencer marketing and native advertising, and thus Word of Mouth (all explained below) may be used for campaigns in which positive role models suggest simplified lifestyles or re-use of products, or highlight personal benefits such as “greater space available for storage, less time spent on shopping, and the advantages of a minimalist approach to life” (Seegebarth et al., 2016, p. 91).

4.9.3. Search engine marketing

Visibility is paramount in online marketing. The key objective of search engine marketing is to increase the visibility of businesses on search engine result pages (SERPs) to bring customers to the company’s own website. Interactions with SERPs have been investigated using eye-tracking equipment. The results of a study by Shi and Trusov (2021) suggest that search goals (navigational, transactional and informational), semantic context, spatial characteristics, viewing centrality and the prior inspection path all contribute to predicting both the flow of the inspection process and the ultimate choice. This is an area of untapped opportunities for many businesses.

4.9.4. Customized communication

Social media platforms such as Facebook offer advertisers the opportunity to publish personalized ads. These are generated dynamically using algorithms influenced by the user’s behavior on the website, their specific interests, their location and by factors such as the weather. The Dutch cinema chain Pathé made successful use of this approach in 2019. Firms can also use “audience matching” on platforms such as Facebook, Snapchat and LinkedIn to select users with profiles similar to those of their own customers, after which a commercial message is shown to

those users. Such activities must, of course, comply with data protection requirements.

E-commerce sites regularly use collaborative filtering in recommender systems to guide consumers with messages such as “people who purchased this item also purchased ...”. The aim is to increase up-selling and cross-selling opportunities. Many studies, such as Lee and Hosanagar (2021), have shown that these systems affect consumer choices and increase sales and revenues. They examined the impact of recommender systems throughout the purchasing stages and found that these systems increase views (15.3%), salience (21.6%) and conversion rates (7.5%). The increase in views was larger for utilitarian products (compared to hedonic products) and experience products (compared to search products).

Augmented Reality (AR) offers excellent opportunities to positively influence the customer experience. For example, the IKEA Place App allows a piece of furniture to be placed in the customer’s own home virtually to allow its suitability and appeal to be judged before purchase.

4.9.5. Online display advertising

Online display advertising offers excellent opportunities to reach specific customer groups and is also relatively inexpensive. It is currently the most important form of advertising for advertisers. We can distinguish two variants: ads that look like advertising (i.e., banners), and ads that look less like advertising. The latter case is known as “native advertising”, a form of advertising that resembles an advertorial in traditional media. Because such expressions fit well with the form and function of the platform where they appear, they are often considered credible and reliable (Wojdyski & Evans, 2016). However, research comparing the effect of such expressions with the effect of banners has shown that readers are more negative about commercial messages in the form of an advertorial and consider them less credible than banners (Harms et al., 2019).

4.9.6. Mobile advertising

Mobile advertising is becoming an increasingly important component of digital advertising. Expenditure on mobile activities is expected to grow from 18.5% of marketing budgets at the beginning of 2021 to more than 35% in five years’ time (CMO Survey, February 2021). Apps are also increasingly used for promotions (temporary offers). Research measuring the effectiveness of offline and online communication has concluded that both forms reinforce each other when used together. It is therefore important to combine rather than choose between them, just as we saw earlier with online and offline retail (De Vries et al., 2017). However, the effect of mobile apps on purchases has so far been mixed. De Haan et al. (2018) found that mobile apps lead to more impulse purchases, whereas Gu and Kannan (2021) identified significant negative effects. Gu and Kannan (2021) suggest that customers who adopt a primary app also use competing apps and therefore search and shop around more.

4.9.7. C2C communication

In the current era of customer engagement (see Fig. 2), it is no longer just advertisers who communicate about brands (B2C); consumers themselves play an increasingly important role (C2C) by engaging in electronic Word of Mouth (eWoM) communication. In a meta-analysis, Rosario et al. (2016) studied the effects of eWoM on various platform types on metrics for different (types of) products. Among other results, they found that eWoM is most effective for tangible goods in the early stages of the product lifecycle, where uncertainty is high and eWoM reduces financial risk.

Online reviews are written, read and evaluated more and more often (Reich & Maglio, 2020). Most customers trust them just as much as personal recommendations. A favorable review motivates behavior

¹⁸ <https://www.cnbc.com/2021/04/07/digital-ad-spend-grew-12percent-in-2020-despite-hit-from-pandemic.html> accessed 20210429.

¹⁹ <https://www.marketingdive.com/news/digital-ad-sales-to-top-two-thirds-of-total-spend-for-first-time-in-2021-m/597685/> accessed 20210429.

more than discounts and other offers for durable goods and consumer electronics (although less than quality, price and satisfaction)²⁰. Reich and Maglio (2020) found that consumers are more likely to purchase a product if it is recommended by a reviewer who regrets a previous purchase. These reviewers are perceived as consumers with much expertise.

4.9.8. Influencer marketing

The phenomenon of influencer marketing is relatively new. In influencer marketing, well-known people recommend products to their followers in vlogs on social media. This is a contemporary form of “product placement”. Influencers may be (in the physical world) celebrities with more than a million followers. However, they may also be “nano influencers” who only have a few thousand followers and are mainly known and influential locally.²¹ The popularity of influencer marketing seems controversial. On the one hand, studies have suggested that this form of communication is on the decline.²² On the other, research has shown that almost half of 12 to 15-year-olds and more than a third of 8 to 11-year-olds watch vloggers or YouTube influencers.²³ This indicates that this channel is an excellent means of reaching younger generations. Influencer marketing can also be effective with older generations: the Italian glamping resort Vallicella attracted more than a million followers and a quarter of its overnight stays through influencers. Furthermore, influencer marketing may be a particularly useful tool for NGOs and governments to encourage consumers to consider not buying a product or to convince wearers of clothes to repair their garments and think twice before buying (Bocken & Short, 2016; Zhang et al., 2021).

4.10. Loyalty programs

Research has shown that loyal customers are valuable in several respects: they are more profitable (e.g., Helgesen, 2010; Reinartz et al., 2005) and they are good ambassadors (Matos & Rossi, 2008). As customer-related objectives such as customer loyalty became more important during the past decades, tools such as loyalty programs (LPs) became more popular. LPs offer, using a combination of marketing tools (mailings, personalized offers and discounts, events, etc.), benefits and rewards to customers. The aim is to create added value from the product or service, with the ultimate objectives being customer retention, customer development and data collection to enable this. We see a tendency towards introducing new LPs that offer customers instant money, for example by Morrisons.²⁴ Research in the field of LP effectiveness has shown contradictory results: some studies identified positive effects (e.g., Donkers et al., 2007), while others did not find a significant effect (e.g., Mägi, 2003). Bombaj and Dekimpe (2020) attempted to explain these divergent results by studying various moderator effects. They found that loyalty programs that offered direct and immediate rewards had a positive effect on retailers’ sales productivity. They also showed that loyalty programs are less effective when the reward system is more complex or part of a multivendor program. Loyalty programs are also less effective for discounters and in situations where several competitors have a similar program.

²⁰ “When Buying Expensive Items, Consumers Turn to Reviews,” *eMarketer.com*, January 26, 2018.

²¹ *Ofcom* (2020), Children and parents: media use and attitudes report 2019: <https://www.ofcom.org.uk/research-and-data/media-literacy-research/childrens/children-and-parents-media-use-and-attitudes-report-2019>.

²² <https://www.forbes.com/sites/forbesagencycouncil/2020/08/19/is-inf-luencer-marketing-on-the-decline/>, accessed 20210709.

²³ *Ofcom* (2020).

²⁴ *Marketing Week*, May 18, 2021.

5. Marketing capabilities

5.1. Adaptive capabilities

The many rapid changes in the environment where companies operate have important implications for marketing management. For many years, dynamic capabilities, including systematic sensing and scanning of the environment and translating the observed developments into strategic decisions, was an effective answer to changing environments. They enabled the company to deliver value to customer segments by knowing and understanding customers and competitors and acting on this knowledge, by sharing knowledge throughout the organization and by coordinating the utilization of company resources (e.g., Narver & Slater, 1990). Dynamic capabilities served as key success factors which enabled the company to keep up with market changes and align its resource deployment with the market better than its competitors (Day, 2011).

However, in the current turbulent environment, where the complexity and velocity of markets and heterogeneity of consumer behavior is accelerating, dynamic capabilities no longer offer the route to success. In this environment, companies need to be sensitive to even the faintest signals of imminent changes. In this respect, we endorse the view of Day (2011), who states that organizations need “adaptive capabilities” to anticipate change and respond proactively in the current turbulent environment. Eshima and Anderson (2017) define these capabilities as “the firm’s proficiency at altering its understanding of market expectations”. Day’s (2011) argument builds on March (1991), who states that adaptive processes in an organization require balancing the exploration of new possibilities (through risk taking, search, experimentation, discovery, flexibility, etc.) and the exploitation of “old certainties”, which focuses on increasing efficiency and the predictability of processes and routines. This implies that marketing decisions must include daring to mix “traditional” activities, such as brick-and-mortar retailing and mass media communication, with contemporary online distribution and communication channels. Research has shown that such combinations result in a net increase in revenues in the field of distribution (e.g., Pauwels & Neslin, 2015) and superior performance in the field of communication (e.g., De Vries et al., 2017; Lesscher et al., 2021).

Anticipating market changes and unmet needs and being able to respond proactively to these requires capabilities in fields such as vigilant market learning and adaptive market experimentation (Day, 2011).

Vigilant market learning is a form of generative learning, or double-loop learning (Argyris & Schön, 1978). It aims to form new perspectives, new frameworks and new practices to allow capabilities to continuously develop. It can be based on an early warning system that signals changing customer requests and needs. This may include collecting market information from all social networks and media, carrying out advanced analyses and finding patterns in customer data or by analyzing customer complaints. Hossain et al. (2021) identified a value creation capability driven by customer analytics as a critical antecedent of a sustained competitive advantage. Ensuring that every member of the organization remains curious about consumer behavior, alertness and the courage and willingness to act on incomplete information all contribute to vigilant market learning. An organization that values learning breaks open silos that impede information sharing, has employees with an open mind about the market and other employees/departments/divisions in the organization, shares information, is willing to cooperate with and understand information from other functional areas (such as product development and IT) and knows which questions to ask (see, e.g., Shah et al., 2006). Balancing exploration and exploitation while learning also requires practitioners to combine detected (even faint) signals of upcoming change with knowledge and (possibly recently developed) methods from academic research. For academia, it implies the courage to use the observations of practitioners as input for academic research.

Adaptive market experimentation implies the willingness to invest in (small) trial-and-error experiments and learn from the outcomes. For this to be effective, it is important that the organizational culture embraces the notion that failures are part of the learning process and contain valuable lessons (Day, 2011; Slater & Narver, 1995). Experiments may range from manipulating the look and feel of a website based on customer insights to changing the entire business model. The fashion chain Zara is a successful example. The company has reshaped the industry's business model and is able to offer a new collection in its stores every six weeks. Although Zara lagged behind in its commitment to the planet, the company is now also taking significant steps towards implementing sustainability goals.²⁵

5.2. Marketing organization: agile and open

Adaptive capabilities can translate into interorganizational "agile marketing" (Hendrix, 2014), and intraorganizational "open marketing" (Day, 2011). In agile marketing, cross-functional and cross-hierarchical teams act rapidly in response to insights from market learning and experimentation. Internal platforms are increasingly used in this context to improve internal communication between departments. Mutual respect, an open-minded learning attitude and awareness of and belief in the importance of collaborative learning are prerequisites for effective communication. Having an interest in and knowledge of other business functions, such as accounting, finance, research and development and human relations is also relevant. Agile marketing can lead to a shorter time to market and higher customer satisfaction (Kalaiganam et al., 2021). The time when agile marketing was less popular has now given way to the idea that agile marketing and (multi-year) strategies should go hand in hand. In this regard, a huge challenge for marketing practice is to combine exploitation and exploration and to find the best of both worlds: the traditional, structured and rather static marketing planning process, and the more unstructured agile approach of being perceptive and responding to even the faintest signals of market change.

Open marketing implies developing a network of strategic partnerships with companies with complementary skills. The objective is to tap into the knowledge and expertise required for success in the current turbulent environment, while keeping emerging insights proprietary. By linking organizational capabilities with external partners, enduring relationships with customers, channel members and suppliers can be developed (Guo et al., 2018). These partners may include web analysts, data analysts, text miners, market research companies, etc. Partnerships may also involve resource integration, aiming for continuous product and technological innovation and developing innovative strategies and tactics. Various stakeholders contribute to value creation (Kastanakis et al., 2019). Stakeholder integration pertains not just to product design and communication but also to strategy formation. One example of this type of open marketing is the collaboration between Nike and Apple in a joint venture, in which they both bought into their respective markets and developed a successful co-branding strategy.

5.3. Adoption of the customer concept

Studies by Guo et al. (2018) and Ngo et al. (2019) showed that the ability of companies to compete in a complex market depends on their adaptive capabilities. In addition, we posit that implementing the "customer concept" enhances the effectiveness of adaptive capabilities. The customer concept is the belief that the unit of analysis in organizational decision-making should be the individual customer (Hoekstra et al., 1999; Ramani & Kumar, 2008) and that companies should focus on individual customer needs. Knowledge of consumer values, i.e., the drivers of consumer behavior, is the starting point for decision-making.

²⁵ <https://fashionunited.uk/news/retail/zara-publishes-sustainability-manifesto/2021080957038>.

This knowledge is essential to understand unmet needs (Woodruff & Gardial, 1996), which contributes to vigilant market learning. Performance is measured using customer-related metrics such as customer lifetime value. A CCO (Chief Customer Officer) is part of the board-/management team and represents the interests of customers in the organization and board meetings. The importance of the customer experience dictates that the customer journey(s) must be mapped and the critical episodes and touchpoints in that/those journey(s) determined. It implies that someone in the organization must be responsible for the entire customer journey. This responsibility should not be fragmented across different episodes or touchpoints in the journey, as is often the case in organizations. It also implies that there must be internal alignment, i.e., mutual coordination and cooperation between the various business units or departments of the organization that are (or may be) in direct contact with customers. Research has shown that almost eighty percent of customers expect consistency when in contact with multiple departments (Mulcahy, 2019). Consistency can be realized if every employee who has contact with customers can consult the relevant customer data at any time to learn the status of the relationship. The customer data must encompass a 360° view of the customer (transactions and interactions). However, almost sixty percent of the customers in the above study indicated that they usually find themselves faced with information silos rather than a homogeneous organization. External integration, or supply chain integration (Lamberti, 2013), is also essential: all partners in the supply chain (including delivery services in the case of online purchases) contribute to the customer's satisfaction with the purchase at hand (see also Lemon & Verhoef, 2016). This requires strategic supply chain collaboration (Srinivasan et al., 2020) and is an essential element of an open marketing capability.

5.4. Summary

Table 1 shows a summary of the capabilities presented above. Adaptive capabilities enhance the ability of companies to search for newer technologies and/or develop those technologies (possibly with strategic partners), process newly acquired information, recognize the latest product and market opportunities, capitalize on new knowledge, constantly renew existing capabilities and take calculated risks (Rangaswamy & Chaudhary, 2021).

6. Epilogue

For marketing to thrive through the turbulence caused by major developments in the macroenvironment and microenvironment of firms, marketers must develop adaptive capabilities that allow them to anticipate market changes and respond proactively. Furthermore, they must cooperate with departments and stakeholders inside and outside the firm. Regaining influence at the top of companies, for example by appointing a CCO, is paramount (Feng et al., 2015; Verhoef & Leeflang, 2009).

Implementing data-driven decision-making will enhance the accountability of marketing. This is essential to quantify the contribution of marketing to revenues/profits. The increased opportunities for collecting and analyzing more and better data offer ample scope to improve accountability (see also Leeflang et al., 2014). However, for many firms, there is much room for improvement in this area. For example, we observe that budgets for market research are barely increasing, and that the effectiveness of deploying traditional and the many modern means of communication is rarely measured adequately.²⁶ While the academic literature contains a lot of worthwhile information on this subject, we have the strong impression that little use is made of this knowledge, nor of marketing analytics/marketing science. Much knowledge about how marketing works remains unutilized.

²⁶ *Marketing News*, June–July 2019.

Table 1
Summary of recommended marketing capabilities.

Capability	Characteristics
Adaptive capabilities	Balancing exploration of new possibilities with exploitation of old certainties Continuously developing new perspectives, new frameworks, new practices Anticipating market changes and unmet needs by being open-minded and sensitive to even the faintest signals of change
Through: Vigilant market learning	An early warning system, fueled by continuous curiosity about the consumer and market Value creation driven by customer analytics Having the courage and willingness to act on incomplete data
Adaptive market experimentation	Investing in (small) trial-and-error experiments Learning from the outcomes of these experiments
Requirements	Characteristics
Agile and open marketing organization	Agile marketing with cross-functional and cross-hierarchical teams Combine an agile organization with formalized planning Concerted leadership to create an open climate Open marketing in a network of strategic partnerships with complementary skills Every member of the organization is involved in early warning and has an open-minded learning attitude Willingness to cooperate, understand and respect each other Failures contain valuable lessons Stakeholder integration in strategy formation Chief Customer Officer on the Board Knowledge about customer values Knowledge about customer journey(s) Single employee responsible for the entire customer journey Internal alignment between functions with customer contact No silos, share information throughout the organization Customer data encompass 360° view of the customer Strategic supply chain collaboration to deliver on (customer) promises
Adopt the Customer Concept	

However, we do see that many recently developed concepts, such as the customer journey, customer experience, customer lifetime value and the many opportunities for communicating with customers through social media, search engines etc. have been embraced by marketing practitioners.

This article demonstrates that the field can be developed and professionalized further if marketing academia and marketing practitioners start making better use of each other's knowledge and understanding. This can help practitioners develop relevant skills, while marketing academia can conduct research in areas relevant to practice. This can narrow the gap between marketing science and marketing practice. We have attempted to provide insight into this by comparing academic knowledge with responses from business practice. However, the responses from business practice were not collected systematically. Follow-up research can identify which organizations use which key concepts in marketing practically for which purposes and to what extent, and the extent to which research methods and models are used to support marketing decisions in practice. Finally, we wish to emphasize that marketing can play an important role in guiding consumers on their path to more sustainable consumption, and that knowledge, insights, concepts and methods that have been developed in marketing offer many opportunities to contribute to a Better World.

Declaration of competing interest

None.

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