

## DIGITAL MARKETING CAMPAIGN AS A LEARNING TOOL ON CUSTOMER REQUIREMENTS IN PRODUCT DEVELOPMENT

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### Abstract

*The subject of this paper's research is the role of digital marketing in the development of a new or improvement of an existing product. Special attention was paid to the satisfaction of customer requirements by the company, as well as the impact of the digital marketing campaign on those requirements. The digital marketing campaign is presented as a tool for learning about the buying habits of customers, as well as their product requirements, with a special focus on the impact on the formation of requirements.*

**Keywords:** digital marketing, product development, learning tool, customer requirements.

### INTRODUCTION

The issue of product development can be approached from two aspects, through the development of an existing product and the development of a new product [28].

The development of an existing product implies a set of activities that are carried out in order to improve the product that is already part of the company's production program [4]. This type of improvement varies from minor improvements to improving the functional characteristics of the product [25]. This approach is put into motion after identifying the decline in production demand. One of the prerequisites for the development of an existing product is market research, i.e. examining customer requirements.

A new product means something that:

- represents a novelty in the market,
- does not represent a novelty on the market, but represents a novelty for the company.

The development of a new product involves a long and complex process conditioned by the uncertainty of how the market will accept the new product. For this aspect of development, an elaborate methodological approach is used, which also includes market research, i.e. examination of customer requirements.

The development of a new product is carried out on the basis of the New Product

Development Plan, taking into account information from the market, recommendations from production, information from supply as well as licenses, standards and internal standards [13].

The development of each product consists of several phases that are interconnected. The number of stages depends on various factors, such as the type of product, the stages of the product production process, the resources available to the company, etc. Each phase is approached with care, because each has its own characteristics. One of the representations of product development phases, which are defined based on the product development plan, is [28]:

- selection of new product ideas,
- development of constructive documentation,
- development of technological product documentation,
- prototype development and production of zero series as well as,
- implementing changes to the technical documentation.

Decisions about the development of new products are complex and significant for the company. The development of new products enables the company to survive and compete in a dynamic market. New products play an important role not only in market penetration,

but also in building and maintaining relationships with customers and generating profits. Furthermore, to achieve a competitive advantage in the market, sound decisions must be made in various aspects of new product development, such as product attributes, customer segmentation and marketing strategies.

## **SELECTION OF A NEW PRODUCT IDEAS**

The selection of ideas for a new product is the first stage of the development for a new or existing product. It includes the process of generating an idea, formulating how to use the data collected through research, as well as how to use already known scientific and technological knowledge in order to develop a new product, i.e. improve the existing one.

Based on information about market needs, ideas for product development are proposed and submitted, after which the proposed ideas are selected and evaluated [7]. This activity is applied in the process of new product development as a basis for the formation of development foundations.

The applications collection is carried out on the basis of [28]:

- customer requirements,
- customer complaints,
- data on domestic and foreign market.

Based on the request for the analysis for the development of a new product, an analysis of the ability to introduce a new product is performed, which includes the last stage of the Selection of ideas for a new product process.

Analysis of the ability to introduce a new product implies a product compliance:

- which is in line with customer requirements,
- whose technical characteristics, life cycle, price, reliability, etc. match or exceed existing products on the market,
- whose production and placement on the market are timely,
- for which it is possible to ensure the production process, from the technical and technological side, from the point of view of production capacities, raw materials and financial resources,
- whose production is in accordance with the legal framework,

- whose production is in accordance with research and development resources and has economic and technical justification.

## **CUSTOMER REQUIREMENTS AND PRODUCT DEVELOPMENT**

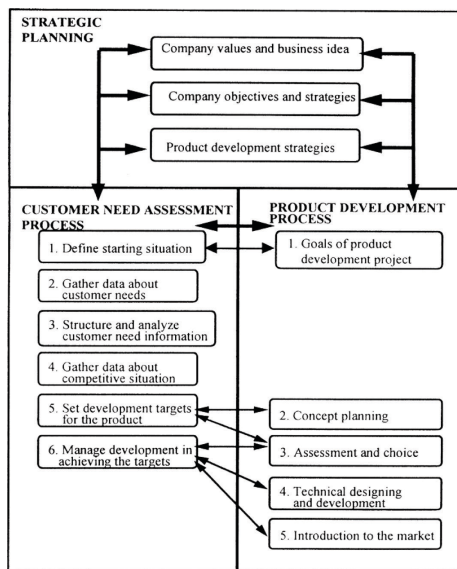
In order for the product development process to be successfully implemented, it is necessary to know the customers through continuous monitoring of their behavior, as well as to respect their requirements. Precisely because of this, the starting point for product development is an assessment of customer requirements. The assessment of customer requirements is a key factor in the success of product development and business in general [5].

The assessment of customer requirements involves a series of procedures and methods for observing, analyzing and adopting customer requirements, in order to determine the characteristics of the product, so that the company can direct its resources towards satisfying their identified requirements [19]. The purpose of customer requirements assessment is to ensure that customer requirements are in focus during all phases of the product development process.

The process of assessing customer requirements begins by defining the company's current position as well as the company's goals [14]. The next step is to gather information about the user's requirements. Information is collected from various sources, after which it is structured and analyzed. In addition to customer data, competitor data is also collected.

The achieved results in assessing customer requirements can initiate the launch of entirely new product development projects [17]. With the help of customer requirements assessment, the results of product development can be thoroughly evaluated at different stages of the process, as well as predict the success of the developed product. After the product is placed on the market, an assessment of customer requirements is needed to obtain information about customer satisfaction, and for the purposes of further product improvement [23], [25]. The interrelationship between user

requirements and product development is shown in Figure 1.



**Fig. 1.** The links between customer need assessment and product development processes [15]

The influence of customer requirements on the development of a new product is reflected through the definition of:

- product attributes,
- product quantities,
- price range of the product,
- product distribution channels.

Therefore, in the product development process, the analysis of customer requirements is vital [27]. However, most companies focus only on statistical analysis of customer requirements, which is not suitable for developing competitive products in a constantly changing market [24]. Therefore, it is important to study the dynamic requirements of customers, in order to mitigate the mismatch of products with their expectations [8].

From the perspective of modern management, maximizing customer value is the key to survival in a fiercely competitive business world. Therefore, many companies are actively engaged in new product development. By delivering value through new products, firms satisfy customers and generate profits. It has been empirically established that customer satisfaction leads to customer loyalty and, in the long run, to profitability. It is clear that new products are a key driver of customer satisfaction and that customer satisfaction

plays a key role in the sustainability of a business.

## THE INFLUENCE OF A DIGITAL MARKETING CAMPAIGN ON THE REQUIREMENTS OF THE CUSTOMER

The pace of development of science and technology affects the rate at which innovations become obsolete. In addition, customer requirements and preferences are changing [12]. Therefore, it is a challenge for companies to respond to the dynamic requirements of both global markets and customers.

There are a number of factors that influence changes in customer requirements. One of the factors is changes in customer behavior during the purchase process, i.e. changes in purchasing habits. These changes appear most often in young people [9]. However, very often, the shopping habits of young people influence the shopping habits of the whole family.

In relation to the differences between brands and the degree of engagement in shopping, we distinguish four types of consumer decision-making: complex decision-making, limited decision-making, brand loyalty and inertia.

In complex decision-making, consumers invest a lot of time and effort in searching for the information they need to evaluate different brands. With limited decision-making, consumers are superficially engaged in the decision-making process because they have too little experience with the product. Brand loyalty is a consequence of repeated satisfaction with the brand. Inertia is characterized by low consumer engagement and non-decision shopping [2]. Keeping in mind any of the above four types of decision-making, it is clear that digital marketing as a tool has an appropriate role (in finding and reviewing information, analyzing different alternatives, comparing products from different manufacturers, purchasing, etc..)

Nowadays, one of the reasons for the change in shopping habits is the fact that customers spend more and more time on the Internet, and accordingly, they make purchases more often via the Internet.

The electronic way of doing business has brought changes in the way companies market their products, and accordingly, in the way customers make purchases. Since purchasing habits affect the sale of products, that is, the company's operations, the company strives to meet and satisfy customer requirements [3].

Digital marketing campaigns also have a significant impact on the buying habits of customers. One of the definitions of digital marketing is that it is the process of adopting promotional activities on the Internet, using information technologies, for the purpose of selling goods and services [22]. Digital marketing provides the possibility of direct interaction with customers 24/7. Since information technologies are in daily use and it is difficult to imagine life without a mobile device, there is a need to study digital marketing, as one of the most important ways of interacting with customers and its impact on the behavior of customers on the Internet, as well as on their purchasing habits. A well-defined digital marketing strategy provides the opportunity to understand customers, retain existing customers, convert existing customers into loyal customers, and acquire new customers.

Monitoring of digital marketing campaigns provides an understanding of the impact of campaigns on the purchasing habits of customers, as well as their behavior on the Internet. In addition, knowledge of this type of mutual relations gives the possibility of predicting the behavior of customers and their habits, as well as influencing the requirements of customers.

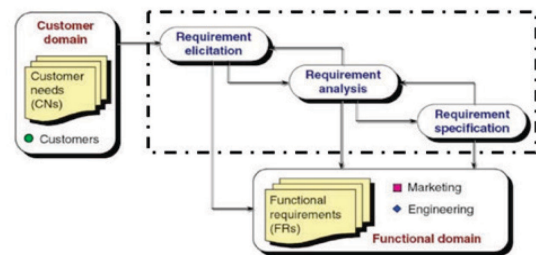
In accordance with the dynamics of market development and increasing competition, the market is flooded with campaigns aimed at selling products or services. That is why it is important to develop a personalized approach to the customer and additionally analyze the communication channels, in order to reach customers with an offer in accordance with their requirements [1], [13].

However, since it is a dynamic category, it is not easy to understand the changing requirements of customers, but digital marketing tools, strategies and campaigns are used, which will influence the formation of

customer requirements, but also the awakening of needs and desires [11], [21].

The customer should understand the impact of digital marketing on his awareness, the formation of his opinion, attitudes and requirements [11].

Figure 2 shows the process of managing customer requests, where it is shown as the first stage of Requirement elicitation.

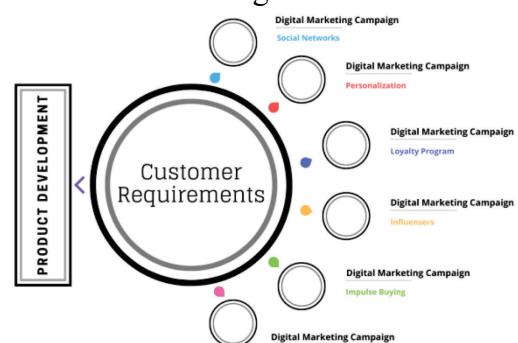


**Fig. 2.** Customer requirement management process [7]

The influence of digital marketing on the formation of customers' requirements, wishes and needs, as well as the change in shopping habits, is carried out through well-defined personalized campaigns, by using campaigns featuring influential members of the community (influencers), by causing impulse purchases, social networks etc. [16], [18], [21], [26]. In this way, as well as through learning from its own and others' campaigns, the company achieves a reduction in uncertainty in identifying customer requirements.

## IMPACT OF DIGITAL MARKETING ON PRODUCT DEVELOPMENT

After discussing the impact of digital marketing on customer requirements, we come to the presentation of the impact of digital marketing on product development. This process is shown in Figure 3.



**Fig. 3.** Impact of digital marketing campaign on product development

It is important to note that the influence of the digital marketing campaign on product development is indirect, that is, it is done through the influence on customer requirements. The concept itself would include several stages. The first stage implies that the company wants to satisfy the customer's requirements, and decides to develop a product in accordance with the customer's requirements. Since customer requirements are complex and changing, special attention should be paid to the fact that product development in accordance with customer requirements is a long-term process. In addition, it is important to keep in mind the limiting factor in the form of variability of customer requirements. Therefore, the company decides to use digital marketing campaigns to learn about the buying habits of customers and influence the formation of their product requirements. The development of a new or improvement of an existing product is the result of this process, which is in accordance with the customer's requirements.

## CONCLUSION

We are witnessing the dynamics of market development and market demands. Gone are the days when customers actively searched for a product, hoping to find exactly what they needed, compromising on a modest product offering. Today, the roles have changed. The market is flooded with offers of the same or similar products, there is more and more competition. The company makes huge efforts to target a specific group, trying to keep the existing one and win a new customer.

One of the ways to attract the customer's attention is to offer him a product that meets his requirements. That is why more and more is being invested in the development of new, but also the development or improvement of existing products. A satisfied customer, in the long run, can be converted into a loyal customer, which is a great success for the company. However, the dynamics of market development also affect customer demands, which are increasingly changing. Long-term prediction of customer demands and their buying habits is a challenge.

This paper shows one of the ways in which it is possible to meet the changing demands of customers, which is to be one step ahead of

them. The impact of digital marketing campaigns on customers is undeniable. Based on the implemented campaigns, the company can learn about customers and their product requirements, but also consciously shape the requirements in accordance with the resources at its disposal, all for the sake of easier satisfaction of their requirements. The result of this process is product development, in accordance with customer requirements.

In addition, competitors' digital marketing campaigns and their study should be seen as a tool for learning both about customers and their requirements, as well as learning about competitors.

It is undeniable that the market is increasingly saturated, and that increasing efforts are being made to overcome the problems that such a market brings with it. Apart from digital marketing campaigns, as a learning tool, it is to be expected to recognize and find many other solutions with a similar purpose.

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