The Balance Between Profit and Product

A Review of the Literature

Stephen [redacted]*
NYC iSchool

*to hide my identity

The environment of software companies and big business is one of profit and audience/customer capture. The main aim of any business is to engage in the most efficient and optimal practices for the future of said customers, shareholders and the customer base they serve and receive wealth from. This aim comes into an obstacle however, due to the fact that profit is taken away when a company makes any decision to improve the product or the reach of the company. This problem is still worth overcoming however, due to the return on investment of engaging with marketing. The return being more customers and outreach/company equity along with money. Two main vectors for this problem appear, the first being the need to market your company and product, along with engaging in improvement on non-materialistic, personnel - specific parts of a company, i.e HR, intellectual capital. The second being the push to improve the product itself throughdevelopment. Both of these variables cost money to fix, so determining the balance between the two and also finding new ways or engaging in discussion of how to circumvent and optimize this issue is the main aim of this article. This paper is going to discuss three main topics, the symbiosis and relationship between intellectual capital and profit/company efficiency, the future of marketing and further symbiosis of company traits, and finally company culture and its impact on the product a company makes along with its impact on intellectual capital.

The Relationship Between Intellectual Capital and Company Efficiency

A company works by acting in an optimal fashion, using all of its resources efficiently and with the goal of achieving success through gaining profit. Symbiosis and understanding of relationships between variables is a major part of this road to success, a massive one being the relationship of Intellectual capital and company product. In most literature Intellectual capital or IC is defined as the intangible resources of a company along with HC(human capital) and SC(structural capital) (Garomssa, et al, (2017)) . These intangible variables are tied to the procedures and experience of the company and are maintained through correct and efficient continuation of said procedures, cultural attitudes and inner workings of the company. All of these variables work in tandem with each other, the experiences and procedures that affect human capital also affect structural and so on(Garomssa, et al, (2017)). The foundation of this interplay is all socially constructed and as such the main resource of all said variables is the knowledge all variables give to the company(Ogun ,et al, (2022)) . To reiterate, gaining value from the intangible resources of these requires interplay of IC, SC and HC.

The interplay of all three also has an effect on other intangibles not included in intellectual capital. They can have an effect on the type of activities that companies take part in to increase innovation (Ogun ,et al, (2022)) and also play a part in the balance of company products, this can be done by SC and HC affecting the developmental process of the product. This is important to the future of a company since the consequence of this interplay of SC and HC can develop new ideas into a company, creating entirely new products or more efficient protocols (Ogun ,et al, (2022)) found this by gathering data points on three different values and their connection “social capital” intellectual capital” and innovation activities” and checking to see if there's a positive correlation between each, using that data to come to the conclusion that by introducing innovation activities with social capital the two variables mediate each other, creating a symbiotic relationship in each variable plays a core part in enhancing the other. This enhancement would lead to an increase in overall organizational performance.

Ideas of The Future Of Marketing

Marketing as a feature of audience and customer capture is a changing and evolving field. The implementation of new technologies is poised to make an impact on the type and quality of the marketing that is produced by big companies and the depth, the big ones being AR, AI, big data, and blockchain (Diwvedi et al., (2021)). Each new addition to the formation of marketing affects it in new fundamental ways. AR changing the perception and “feel” of marketing, allowing the viewer and hopeful consumer to physically interact with the product in some new way(Diwvedi et al., (2021)). AI is the most relatable example, as it is the technology that is currently changing the world and nearly every creative and communicative medium through its ease of access, creation, and ability to be used in a myriad of productive ways to make a message. Big data can be seen through the likes of Facebook or cookie websites, through using the data of consumers from outside the products a company can find out a consumers core traits, interests, and hobbies and with them target them with better ads, which in practice also helps the company(Diwvedi et al., (2021)). Blockchain is more of a supplementary aspect to marketing's future, and is mainly used as a way to preserve privacy between a customer and a product. Not only will these improvements to technology change how marketing is done, but emphasis will have to be placed on the ethics and human experience with the technologies on how they transmit brand identity and credibility. This is important because these new technologies have the potential to completely change the landscape on what even counts as “marketing” or “branding” so getting a grip on the do’s and don'ts of how we use this new technology is something companies should consider.

The behavior of a consumer is also very important when considering the future and optimization of marketing. Marketing while setting out to capture an audience also seeks to create trust and respect with its customer base. This trust and respect is called “brand equity”. Study ended up finding that marketing strategies through social media has a positive influence on brand equity, and that through said marketing on social media it creates Consumer engagement, which then mediates brand equity and marketing through consumers consuming, contributing, and creating the product.(Jakeste & Minelgaite,(2021)) This discovery on the nature of the relationship showcases the interconnectedness that all aspects of company engagement have of consumers.

Company Structure And bureaucracyand their effect on company productivity and accessibility

Company culture is as important as marketing and intellectual capital in the equation that is “organizational efficiency. Teaching makers of a product how to create and maintain the functions and goals of said product, and the project it runs under, is very important. A study in web accessibility(Bai, et a., l (2019).) found that when members of a software team were not prepped on how to make software accessible it created issues in how said employees tested accessibility. The results stated that different team members of software companies had different preferences when testing accessibility and these preferences lead to different methods being used to test for accessibility. This would show that when organizing a team for web accessibility, taking these preferences into account would be very important. It led to a significant variance in how team members working on the same project curated their software for people with disabilities. This idea of structure and "learned experience" when it comes to protocols ties back to SC(social Capital) as discussed in our first section(Garomssa et al., (2021). Accessibility, and along with it the nature of software development and deployment, is important in this way because it tackles the second equation of "company efficiency". Training people and implementing updates on software takes time and money and specifically takes away money so relying upon structure to speed up that process is important.

A way company culture and structure affects company efficiency was seen in a 2011 study "Harrower (2011) gave a framework on the interplay between company culture and its effects of development, efficiency, and help/ hindrance on marketing development. The theory was that 1. Culture is difficult to define. 2. Partnership agreements and collaboration levels impact project success. 3. Chemistry and compatibility are impacted by many factors. 4. Client marketing executives can make or break a project. 5. Creativity in design is not as important as the total problem solving effort. 6. Success is more than the measurable project results. Through this framework the methods in which organizational culture impacts business performance becomes clearer. Another way in which company culture affects efficiency is through the sharing of norms. When a company is created its norms reflect its founder, but through changes in leadership and growth in the market the ways in which a corporation carries out its leadership behavior, thought patterns, objectives, rewards, punishments, processes, and measurements(Harrower (2011).

Conclusions

In conclusion, this literature review has shed light on the intricate relationship between the environment of software companies and the pursuit of profit and audience/customer capture. It is evident that striking a balance between investing in marketing efforts and improving non-materialistic aspects such as HR and intellectual capital is a critical challenge. Additionally, the push for product enhancement through research and development further compounds this obstacle. Understanding the symbiotic relationship between intellectual capital, human capital, and structural capital is essential for maximizing company efficiency. This interplay not only impacts the development process but also fosters innovation, ultimately contributing to overall organizational performance.

Furthermore, the future of marketing is poised for significant transformation with the integration of technologies such as AR, AI, big data, and blockchain. Each of these innovations has the potential to revolutionize the way companies engage with their target audience and convey their brand identity. However, it is imperative to consider the ethical implications and human experience associated with these technologies. Additionally, consumer behavior plays a pivotal role in shaping the effectiveness of marketing strategies. Building trust and brand equity through social media engagement has been identified as a crucial factor in enhancing consumer perception and loyalty.

Lastly, company culture and structure have a profound impact on organizational efficiency. Properly training and equipping employees with the necessary skills, particularly in areas like web accessibility, is paramount. This is because when building a product that is being made with the aim of being used by others, understanding how to make that product more accessible to a wide range of people is important. As discussed previously this training isn't always given because of a lack of company structure or a failing in organizational efficiency, making implementation of such measures a necessity. Additionally, understanding how company culture influences project success, collaboration levels, and problem-solving efforts is essential for optimizing business performance. As a company grows and evolves, it is imperative to adapt and refine norms to align with the changing landscape, ensuring continued success in an ever-evolving business environment. In light of these insights, this review offers valuable perspectives for professionals in various industries seeking to navigate the complex dynamics of software companies and big business

References

Bai, A., Stray, V., & Mork, H. (2019). What methods software teams prefer when testing web accessibility. Hindawi, Advances in Human-Computer Interaction(Volume 2019,), 1–14. https://doi.org/https://doi.org/10.1155/2019/3271475

Diwvedi, Y. K., Ismagilova, E., Hughes, D. L., Carlson, J., Filieri, R., Jacobson , J., Jain , V., Karjaluoto, H., Kefi, H., Krishen, A. S., Kumar, V., Rahman , M. M., Rahman , R., Rauschnabel , P. A., Rowley, J., Salo, J., Tran, G. A., & Wang, Y. (2021). Setting the future of digital and social media marketing research: Perspectives and research propositions. International Journal of Information Management, 59(102168), 1–37.

Garomssa, s. , Kannan, R, Chai ,I, Riehele, D (2017,O october). "How software quality Mediates the impact of iIntellectual capital on commercial open - source software Company success". IEEE ACCESS, 1109, 15 pages

Harrower, N. L. (2011). The effects of organizational culture on marketing programs: A grounded theory study. UST Research Online, Education Doctoral Dissertations in Organization Development, 1–128. https://doi.org/https://ir.stthomas.edu/caps_ed_orgdev_docdiss

Jakeste, L. Z., & Minelgaite, I. (2021). CONSUMER ENGAGEMENT BEHAVIOR PERSPECTIVE IN SOCIAL MEDIA: MEDIATING ROLE AND IMPACT ON BRAND EQUITY. JOURNAL OF EASTERN EUROPEAN AND CENTRAL ASIAN RESEARCH, 8(2), 1–11. https://doi.org/http://dx.doi.org/10.15549/jeecar.v8i2.501

Ogun , A. H., Tarim, M., Delen, D., & Zaim, S. (2022). Social capital and organizational performance: The mediating role of innovation activities and intellectual capital. Elsevier , 2(Healthcare Analytics), 1–12.