

Future of Marketing: Marketing 4.0

Abhishek Mishra

EPDM – IIM ROHTAK, MBA – CMS Business School

Abstract: Digital technology is increasingly moving very fast at the heart of most of the business today. Recent development in the digital space has greatly influenced industries like energy, transportation, manufacturing, banking, healthcare, media and others. No wonder everyone going through this article must have heard the word ‘**DISRUPTION**’ N-number of times.

Several research reports has shown different areas of innovations disrupting present business model. One of the McKinsey report has listed down 12 major innovations capable of disrupting conventional businesses such as; Mobile Internet, Automation of Knowledge work, Internet of Things, Cloud Technology, Advanced Robotics, Autonomous and Near-Autonomous Vehicles, Next-generation Genomics, Energy Storage, 3D Printing, Advanced Materials, Advanced oil and gas exploration and recovery and Renewable Energy. All these are disruptive technologies, which took years of R&D activities before releasing it for commercial purpose, but their real value depends on their tangible impact on businesses on a commercial scale.

Unsurprisingly, these techs are challenging businesses to revisit their business models, adjust value propositions for their product and services and reform their sales and marketing approaches. Let us taken an example of Mobile devices and internet connectivity which has brought unmatched connectivity and opened up numerous opportunities for marketers to reach out to their customers when and wherever required. At the same time, the growing usage of smartphones are alarming for change in the

operation. According to report by Statista (2018 data), *the global mobile population amounted to 3.7 billion unique users. As of February 2017, mobile devices accounted for 49.7% of web page views worldwide, markets such as Asia and Africa leading the pack. Kenya registered the highest rate of internet traffic coming from mobile devices; followed by Nigeria, India, Singapore, Ghana, and Indonesia. The America and Europe have the highest mobile broadband subscription penetration rate, around 78.2% and 76.6% respectively.*

As digital economy booms, smartphones and smart devices will be integral part of people’s life influencing their daily life and behavioral pattern. Consumer will increasingly look for a technology that will make their lives easier. In this phase of fast developing digital economy, marketers have to be aware of all the technological changes for faster adoption. Existing approaches are not going to work; a novel approach will be required to predict the future market behavior and advantage on those data.

By now we all might have understood what Marketing 4.0 is and how it will work. Now in remaining parts of my article we will try to see the evolution of Marketing 4.0, its present situation and future changes. So **what is Marketing 4.0?**

Marketing 4.0 is the sequel to our five philosophies of marketing which talks about Production (Process) Concept, Product Concept, Selling Concept, Marketing Concept and Societal Marketing Concept. Marketing 1.0 includes

Production, Product and Selling concept. Marketing 2.0 is Customer first approach, that is why it talks about marketing concept, and Marketing 3.0 is Human centric approach so it considers Societal Marketing approach. However, with the advancement of technologies, Marketing 3.0 was not enough for marketers to be Individual Centric. Here the overall idea is to rise above your product and services and address your customers in such a unique way that would touch their spirit.

Marketing 4.0 is the convergence between offline world and online world of business. The concept focuses on how online touch serves as major differentiators in today's digital economy. Previously marketing use to be one way of communication but with invent of Web 2.0 (World Wide Web websites that emphasize user-generated content, usability, participatory culture and interoperability for endusers), it has become a two way of communication. That means basis now on real time basis Marketers can communicate with their customers and this is one of the major breakthrough of Marketing 4.0. It also encompasses that there is a need of consistency in identity, authenticity and message and this is a valuable asset for any brand in an increasing digital economy. In addition, Marketing 4.0 is also about balancing between Machine-to-Machine (M2M) and Human-to-Human (H2H). As connected devices becomes more common, Artificial Intelligence and IoT will start resulting in greater marketing productivity and they need to go hand-in-hand with human-to-human connectivity in order to strengthen customer engagement.



From Past to Present Days Marketing:

As we move from past to present, marketing has undergone several fundamental changes. Let us check how different elements are incorporated in today's digital world.

From Segmentation and Targeting to Customer Community Creation:

Traditional marketing starts with segmentation, wherein market is homogenously grouped based on their demographic, geographic and physiographic attributes. In addition, targeting is determining which segment(s) to serve.

In this digital era and socially connectivity, consumers themselves are forming different communities on web and those represents the new-age segments. These communities are based on common mutual interest, likings and behaviors which makes companies much easier to target their audience but also challenging because it takes less than one minute to spam in case of irrelevant content.

Therefore, brands should consider these things and try to fit in natural way.

From Positioning to ‘Brand Character and Code’:

Brand positioning includes all the activities targeted towards making a brand occupy a unique position in customers’ minds. Traditionally brand is identified as a name, logo, or tagline with the main purpose of distinguishing a product or service from other and represents the overall experience that a company delivers to its customers.

Positioning is typically a promise by a brand to win over customers, often fulfilled through a strong differentiation, delivered by companies through their marketing mix – the 7P’s.

However, in today’s digital era, customers have lots of information to consume which are channelized through different touch points. This also empowers them to be the best judge of how well a brand can fulfill its positioning promise. A brand’s projected positioning will not have the desirable impact if it is not community driven. In this digital age, brands should be versatile but what they should maintain is Brand Character and Code, which defines Brand Personality. Example: Think about Coke, although its flexible from outside but solid at core with the same personality as friendly, spreading happiness, celebration. Mainly a jolly kind of person.

From Traditional 4Ps to 4Cs: And finally, 4P’s which determines what companies will offer and how to its customers. But in the era of Connected World where there are customers community instead of customer segments and are available just a click away, in this era brands should think not only about what and how to offer instead approach should be how to make them part of whole Product Development Process.

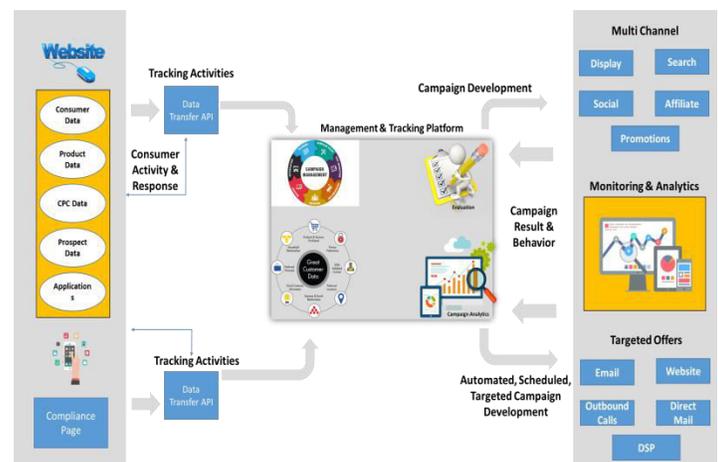
That is what 4C talks about, **Co-creation** talks about existing and even increasing customer participation in the process of new product development. By **Currency**, we refer to the dynamic pricing model with respect to market

demand and purchasing patter. **Communal Activation** as the process whereby environmental or interpersonal circumstances activate public thoughts or motives. Finally, Connected World and Web2.0 has enabled customers to become more vocal in their responses to brands. Customer review and rating applications, blogging platforms and online forums have become trusted sources for customers to engage in **Conversations** to evaluate products and services from brands.

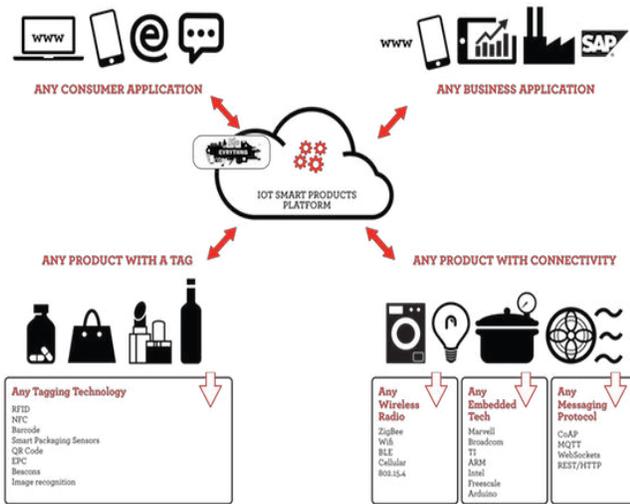
From Service to Customer Collaboration:

Traditional customer service revolves around treating customers as kings, but in the collaborative customer care approach, they are viewed as equals. While customer service would focus solely on addressing their concerns while still attempting to stick to guidelines and standard operating procedures, collaborative care would put genuine effort into listening and responding to the customer, consistently following on terms agreed upon by both company and customer.

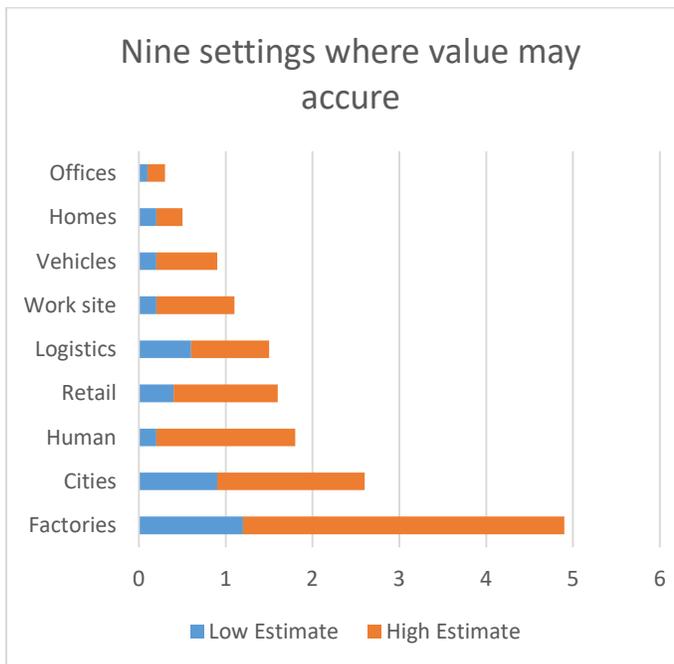
Future Digital Marketing Architecture:



Marketing and Internet of Things:

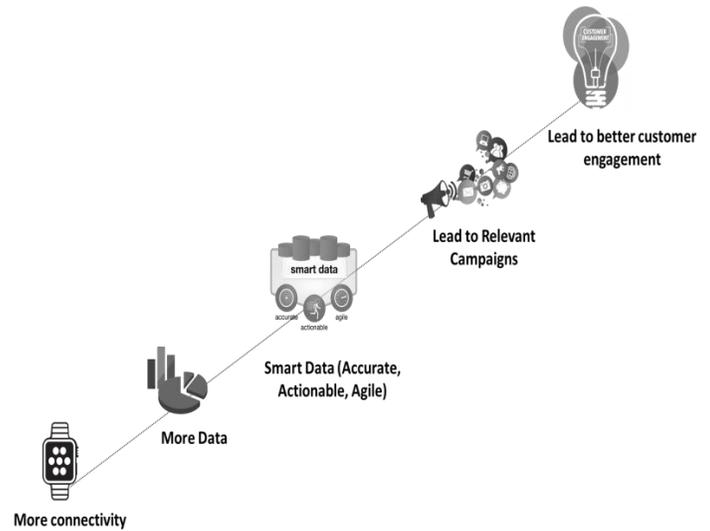


The Internet of Things to offers a potential economic impact of \$4 trillion to \$11 trillion a year in 2025.

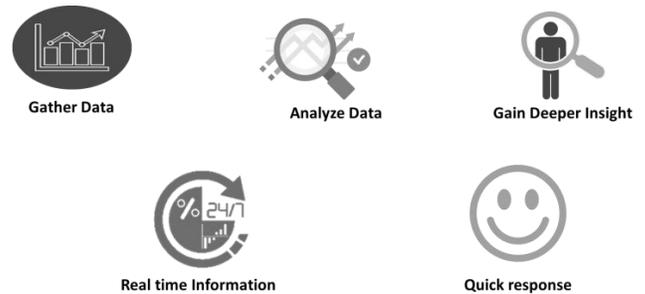


Source: McKinsey Global Institute Analysis

Data Driven Relationship:



How Marketers will Use IoT?



While this all important, when executed well and when establishing trust regarding data usage, the real power of the Internet of Things in marketing lies in the ability of marketers to think out of the box and optimize for their customers in a much broader way, regardless of touchpoints or stages in the overall customer life cycle. **Today's marketing is not just about making an offer or just communication, its more about real-time data, proactiveness and predictive analytics.** So IoT in Marketing plays the role of interconnectivity between brand and customer which helps marketers to listen and respond to the needs of their customers with the right message, at the right time, on the right device.

In my experience, this is how marketing has changed in last one decade. So now the major question that arises is, **whether the traditional marketing is dead or still there**. In my opinion, both will co-exist and will have their own roles and responsibilities throughout the customer journey. **Let me know your view!**

About Author:



Abhishek Mishra:

EPDM – IIM ROHTAK

MBA – CMS Business School