

Marketing 3.0: From Products to Customers to the Human Spirit

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Philip Kotler, Hermawan Kartajaya, Iwan Setiawan (2010). Marketing 3.0: From Products to Customers to the Human Spirit (New Delhi: Times Group Books), pp. 188. Rs. 495, ISBN 13: 9788126526192

The book has been written by legendary marketing sage Philip Kotler and his colleagues Hermawan Kartajaya and Iwan Setiawan. This book moves beyond the product- and consumer-based marketing approach and talks about consumers as multi-dimensional, value-driven people, even as potential collaborators.

The Concept of Marketing 3.0

In the book, Marketing 3.0: Values-Driven Marketing, the authors talk about a world full of consumer disarray. Consumers search for companies that meet their deepest needs for social, economic and environmental justice in their mission, vision and values. Increasingly, consumers are looking for solutions to their anxieties and to make the globalised world a better place. They look for not only functional and emotional fulfilment but also human spirit fulfilment in the products and services they choose. This spiritual value proposition may be in the form of creativity and innovation.

Argument has been built that marketing has moved to its next stage: Marketing 3.0, since its formal inception since industrialisation. The book defines early era as of Marketing 1.0, a product-centric era, marked with the famous saying of Henry Ford, "Any customers can have a car painted any color that he wants as long it is black". When it comes to today's information age where consumers are well informed and can compare several value offerings of similar products, the product value is defined by the consumer. They called it Marketing 2.0 or customer-centric era.

The upcoming age is the rise of Marketing 3.0 or the human-centric era where consumers will be treated as human beings who are active, anxious and creative. They will request more participation in value creation. Marketing 3.0 is a stage when companies shift from consumer centricity to human centricity and where profitability is balanced with corporate responsibility. In short, Marketing 3.0 thinks about consumers as whole humans with hearts, minds and spirits.

Origin of the Concept

The idea of Marketing 3.0 was first conceptualised in Asia back in 2007 when the authors first launched the first manuscript of the book at the 40th anniversary of the Association of Southeast Asian Nations (ASEAN) in Jakarta, Indonesia. Indonesia, being the only G-20 member in Southeast Asia, has come up a long way being a nation where human centricity and the character of spirituality have overcome the challenges of diversity.

Scheme of the Book

The book has been divided into three distinct parts: trends, the strategy and the application consisting of total 10 chapters. The first part (trends) analyses the current situation, building a foundation based on current societal trends. This enables the authors to dig into many of the issues influencing the necessity for change and ultimately suggests revamping many current disciplines of marketing. While Kotler still stresses the importance of the 4P's, he has identified three important factors, namely cocreation, communitisation and character building, and driving marketing towards a new era, fittingly dubbed, Marketing 3.0. It calls attention to a more holistic and more consumer-involved approach to marketing. Further, the age of participation; the age of globalization paradox and the age of creative society reflect current societal trends, which has been clearly evident with the emergence of social media. This leads to three core concepts: identity, integrity and image, the main objectives of Marketing 3.0.

The second part (strategy) tackles how to communicate the Marketing 3.0 concept to various stakeholders: consumers, employees, channel partners and shareholders. Here, the role of the cultural brand is as the one connecting the dots and giving direction owing to the increased awareness and concern in people about larger social issues. Another great thought in the book is about the age of creativity and human spirit marketing. The mention of Maslow realising that his pyramid should have been upside down was a great relief, making the self-actualisation the foremost goal of life. Maybe the West will now understand Gautam Buddha or Swami Vivekananda better.

In the final part (applications), applying the Marketing 3.0 theory, there is continued emphasis on the social responsibility of companies to act as social champions beyond just philanthropy. This ties into the responsibility companies have in acknowledging the need to create more social business enterprises - companies making profit while positively impacting the society in which it operates - to make product and service offering more accessible to the ever-growing low-income population.

Finally, the epilogue chapter summarises the 10 key ideas of Marketing 3.0 with select examples of companies that embrace the concept in their business model. It brings all the concepts together in 10 credos, worth taking note for any (aspiring) marketer. The book will definitely draw the attention towards collaborative marketing and cultural marketing as a way of the future where the framework is defined as that of a starfish with no head but functioning as a group of cells.

Relevance in the Emerging Market

The book has been found highly relevant in the emerging business scenario. It argues that marketers have not truly been listening to the needs and wants of consumers, eventually causing consumers to feel disconnected from product and service offerings. Human needs and wants are becoming ever more complex, thus revamping the hierarchy of needs, used by marketers. For any marketer this is a must-read, and answers the all-important question posed by the authors: "Is it possible to be a human-centric company and still be profitable?"

In the end, I would say that this book may not be the answer to all your questions about the future of marketing but it would definitely trigger some powerful thoughts for understanding the constantly evolving market space and consumer landscape. In short Marketing 3.0 practitioners have bigger missions, visions and values to contribute to the world vis-à-vis existing marketing concepts. Therefore, Marketing 3.0 compliments emotional marketing with human spirit marketing.

Key Issues Addressed

Thoughts have also been shared for implementation of Marketing 3.0 for solving global issues such as wellness, poverty and environmental sustainability and how corporations can contribute by implementing the human-centric business model.

Another key observation is on globalisation as one of the trends that have influenced the emergence of Marketing 3.0. The book calls it the 'Globalisation Paradox' and quotes three instances of the same. First,- is the idea that capitalism does not require democracy, which is exemplified by China - open markets do not mean open politics. The second paradox is explained as unequal distribution of wealth and the case in point is India with 50 billionaires in one hand and 1 billion of the population living with less than a dollar a day, and the third is that the global culture strengthens the traditional culture.

Author's Profile

Rajeev Verma is currently a Fellow Participant in the area of Marketing Mangement at Indian Insitute of Mangement Indore. He has done his Post-graduation in Forest Economics and Management from Forest Research Insitute, Dehradun. Prior to joining, he was working with National Innovation Foundation, Ahmedabad and Indian Institute of Forest Mangement, Bhopal. His research interest lies in exploring Marketing Information System, Product Mangement, Rural Development and Inclusive Growth, Customer Experience Management and Marketing Engineering. One of his paper was awarded with best paper award at International Marketing Conference, MARCON 2010 held at IIM Calcutta.

The new model for marketing-Marketing 3.0-treats customers not as mere consumers but as the complex, multi-dimensional human beings that they are. Customers, in turn, are choosing companies and products that satisfy deeper needs for participation, creativity, community, and idealism. In Marketing 3.0, world-leading marketing guru Philip Kotler explains why the future of marketing lies in creating products, services, and company cultures that inspire, include, and reflect the values of target customers. Explains the future of marketing, along with why most marketers are stuck in the past. Ex