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Book Review

Marketing 3.0: From Products to Customers to the Human Spirit Philip Kotler, Hermawan Katajaya and Iwan Setlawan. New Delhi, India: Wiley India, 2010. 208 pp., Price: IR 380, ISBN: 97881-26526192.

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The new model for marketing – Marketing 3.0 - treats customers not as mere consumers, but as the complex, multi-dimensional human beings. In the age of highly aware customers and a rapidly changing global environment, companies must consider customers not only as consumers, but must also focus more on the human-centric issues, demonstrating their issues' relevance with the customers at the level of basic values. In this context, marketing guru Philip Kotler, in association with Hermawan Katajaya and Iwan Setlawan, gives an insight into the future of marketing that lies in creating products, services and company cultures that encourage, embrace and reflect the values of target customers. The book emphasises on the participation of all the stake holders in maximising profits for a company and how corporations can contribute to the society by implementing a human-centric value-based business model.

In **Chapter One,** the authors say that over the years marketing has mutated through three stages. Long ago, during the industrial age, marketing was about selling products to a target market without considering the needs and wants. This was Marketing 1.0 or the product-centric era. When it comes to today's information age, the job of marketing is no longer that simple as the consumer defines the product value. It is a must for the marketers to identify unfulfilled needs and wants and convert them into profitable opportunities. This is Marketing 2.0 or the customer-centric era. The marketing concept then evolved further. Now that almost every organisation claims to be customer oriented, the strategy may not work anymore. Targeting the mind is no longer enough. Marketers should also target the hearts of the consumers. We will soon witness 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. They will demand that their deepest anxieties and desires, and not only their traditional needs and wants, be identified and fulfilled. They will ask for their creativity to be appreciated. More than ever before, people feel defined by and connected to the brands that they consume, and so they demand those brands to deliver more. Three primary forces shape Marketing 3.0, say Kotler *et al*., namely, the age of participation, the globalisation paradox and the age of creative society.

Marketing 3.0 is based on collaborative marketing, i.e. collaboration with all the stakeholders and with business entities comprising similar sets of values and desires. The profit in the business will arise from consumer's appreciation of a company's contribution to the society and it also keeps cultural issues at heart.

In **Chapter Two**, Kotler *et al*. talk about how brands can connect with human beings by developing an authentic DNA, which will be the core of their true differentiation and which will reflect the brand identity in different social networks and achieve authentic differentiation. They introduce a new model for marketing – 'The 3i Model' - which sees each consumer as a whole human being. It consists of a triangle formed by the three central terms - brand, positioning and differentiation - which gets extended to the outside by the 3i: brand identity, brand integrity and brand image. The intention is to address the whole human being, consisting of body, mind, heart and soul, and thereby shift from the traditional marketing to the value-driven marketing.

In this context, marketing is firmly placed within all spheres inside the company and its relationships with the wider world. However, it is still unclear in this book as in how to connect with the soul of a consumer, as understanding the soul is a very difficult issue itself.

In **Chapter Three,** the authors describe the qualities of a good mission in Marketing 3.0, where marketers should introduce a new and unusual business concept that will move people and ensure consumer empowerment. It is about changing the lives of the consumers by tapping their minds unconsciously to make them accept the brand in their daily lives.

The description given by Kotler *et al.* sounds very simple, but the realisation is more complex as can be seen at first sight. As particular marketing areas need to be in line with the whole human spirit marketing concept and as it makes sense to apply the Marketing 3.0 concept to all business units, the authors describe the concrete proceedings for human spirit marketing in his book; however, they do not respond to the question of customisation. The chapter does not reveal the necessity to follow the procedure described in the book in order to do human business marketing. Many companies are similar with their products and concepts, but no one is same. The authors have not mentioned anything about the company size, costs of realisation or minimum standards.

In **Chapter Four,** the authors emphasise on implementing corporate values in employees. They opine that the company must become a brand that is better, different and that makes a difference in the current and the future employees. Values can be highly motivating for the employees, as this leads to better productivity and gives them the sense of meaningful work. Well-established values attract potential employees, retain them and create higher commitment. It is very important to have a creative and collaborative environment for the employees to achieve maximum value and to develop and share their innovative ideas. Empowered employees will be of more value to the companies. Training should be practiced and not just preached. Permission-to-play values are the basic standards of conduct that employees should have when they join the company. Aspirational values are the ones that a company lacks but the management hopes to achieve. Accidental values are acquired as a result of common personality traits of the employees. Core values are the real corporate culture that guides employees' actions. Thus, companies can create brand ambassadors from their employees. Although it is practically impossible for all employees to share the same values, they should share a common consensual attitude towards the core values of their company.

In **Chapter Five**, Kotler *et al.* concentrate on the channel partners, who have become more important to the companies than ever before and must become their allies. The trend of globalisation is interrelated with the need to enter undeveloped markets to generate profit or value. Traditional kinds of distribution might not work in these markets as social, economical and ecological matters differ from those in the developed markets. Furthermore, there are no developed consumer interfaces, which need to be developed in cooperation with the regular channel partners, to offer the know how and contacts for the respective market. The purpose, identity and values need not have to correspond completely, but still a good approach to choose partners who would not be opposed to the ideas of the other is necessary.

For a corporate group, it might be difficult to find adequate channel partners. The authors' approach can be challenging to put into practice as the existence of companies with identical value systems and purposes is unrealistic. Therefore, companies should be concentrating on the communication between partners, profit margins and incentives, which leads to a horizontal partnership, but still preserves the different identities of the companies.

In **Chapter Six**, the authors state that the corporate vision of Marketing 3.0 should embrace the concept of sustainability. Due to market polarisation and scarce resources, the business landscape is changing and, consequently, the importance of sustainability is increasing. Companies need to convince shareholders to change their strategies from short-term value orientation to long-term driven capitalism. Through sustainability, companies are able to improve their cost productivity and corporate brand value and get higher revenue growth.

Kotler *et al.'s* intention to find a concept to imply sustainability is commendable. Nevertheless, all shareholders need not necessarily share this view and they may be more interested in profit maximisation than sustainability. In some branches, sustainable behaviour can be misplaced and it gives no economical value, e.g. the arms industry. Therefore, their concept cannot be universally applied. Furthermore, the authors do not properly explain how to implement their idea. Most shareholders look at the profit, but a company can influence the structure of its group of shareholders, e.g. via quotation, preference stocks, dividend policy, etc., and therefore influence their way of thinking. Consumers should be seen as the most important part as, if they are satisfied, the company and consequently the shareholders can profit. The concept of sustainability should be designed according to user specifications, which implicate branches that derive advantage.

Chapter Seven explains how companies can create future growth and differentiation in mature markets by delivering socio-cultural transformation. Nowadays, companies feel that customers expect them to act in a socially responsible way. According to *Kotler et al.,* a better way to empower consumers is to carry out cause-marketing campaigns. It shows a strong linkage with the target group, including the employees. The best way to practice Marketing 3.0 is to enable consumers to reach self-actualisation. The approach is ambitious, but the question is whether human beings accept extrinsic influence by a company on their lifestyle. The mention of Maslow realising that his pyramid should have been upside down was a great relief.

Kotler *et al.'s* concept that mature markets should be treated differently than fast-growing markets is understandable. The claim that companies should act as responsible citizens besides carrying out short-term social- public relation (PR) actions seems to match the expectations of the consumers. However, one has to critically review the main concept of the three stages of addressing social issues in marketing (i.e. philanthropy, cause marketing and socio-cultural transformation). Philanthropy is already integrated in marketing. Cause marketing is more difficult to implement into the marketing strategies of companies. If a company wants to initiate a socio-cultural transformation, it needs a very sensitive and credible way of communication to convince the consumers of the products or services and the veritable social acting of a company (human spirit marketing).

There rises the question: 'how the consumers would react to attempts of various companies to reach transformation with contradictory aims'. The companies described in this chapter, Walt Disney and Wegmans, changed their business concept for economic reasons. However, this is an alteration triggered by the companies, but realised by the customers. A better way to describe the Marketing 3.0 concept is 'companies can offer solutions to enable positive effects, but finally, the human being has to be willing to change his/her life and reach self-actualisation'.

In **Chapter Eight**, the authors explain that information and communication technology structure is one of the three solutions for reduction of poverty in newly industrialised countries. The merging of excess supply under consumption in the mature markets and hyper-competition are the second solutions. Their concept of social business enterprises (SBE) is an integral component for complete solution. Because an SBE targets a segment that does not have a high value in terms of individual transactions, the aim is high volume communities. Kotler *et al.* present Marketing 3.0 as a model for poverty mitigation, which makes much sense for the SBE. Their ideas can help to push companies, but the realisation needs to be adopted individually and locally. Additionally, they need to be specified and the fact that people need to be educated in writing and calculating is more important. SBE is the idea of providing poor people with products that are more valuable at an affordable price.

In **Chapter Nine** deals with solving another major global issue - achieving environmental sustainability. The concern about the environmental and social impacts of business is not new and has ebbed and flowed over many years. However, the overall trend has been towards increased pressure for better environmental and social performance. According to Kotler *et al.,* companies that practice in reality and businesses react differently to this challenge; some still ignore the problem, some are criticised for their bad influence and some realise that they can turn this problem into an economic advantage.

Altogether, Kotler *et al.* describe a very holistic and integrated form of marketing, focusing highly on sustainability in every dimension. Their aim is to regain the lost trust of the consumers. Integrating the storytelling of a brand and its company into the own mission of the company is quite a new aspect. Seeing employees, channel partners and shareholders as important allies are fundamental aspects for an efficient collaboration. The communication of the mission, the vision and the values form a necessary basis. Consumers should also be integrated into the communication process as human beings with social needs that have to be satisfied. Concerning the practicability, Kotler *et al.* do not mention concretely for which branches of trade and which kind of companies these particular conceptual approaches are applicable. How to achieve these high ambitious goals in practice stays another aspect for further research in the future as well.

Therefore, Kotler *et al.'s* approach is not the final answer to the questions of the modern world concerning marketing and communication. In fact, it is one possible approach to a solution, which only does justice to the challenges in some parts, mainly because of the lack of narrower basic definitions. This makes the approach hard to implement. A different approach focuses on the factor of trust.

In **Chapter Ten,** the authors share the **10 Credo**'s in the last 'putting it all together chapter' that are a bit disconnected and also condescending.

Marketing is in constant development, like human beings and life. In this book, the authors show us that we cannot use old concepts to deal with new consumers. People want to be respected in their entirety - mind, soul and heart. They want to do business with companies worried about making the world better. They are looking for jobs that provide a sense of making difference. Marketing 3.0 highlights the importance of comprehending people values and tries to insert them in the business environment. In this customer-driven economy, people want to invest in brands that positively change the world, and the most iconic brands of the future will be those that drive the most meaningful social change. So, while Corporate Social Responsibility cause marketing and sustainability might have seemed like nice to-dos just a few years ago, articulating one's brand's core mission and values is now critical in terms of the reputation, employee productivity and bottom line impact on a company.

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