



MARKETING 4.0

Moving
from Traditional
to Digital

PHILIP KOTLER

HERMAWAN KARTAJAYA
IWAN SETIAWAN

“The technology world moves so quickly today that each change accelerates the next. It’s critical in such an environment to have a baseline and point of reference to help marketers find their way forward. *Marketing 4.0* puts a new scholarship stake in the ground and will be the starting point and an invaluable resource for everyone trying to invent and understand the digital and mobile future.”

—**Howard Tullman**, CEO,
Chicagoland Entrepreneurial Center/1871

“The Internet and IT radically change marketing. This book is the eye-opener for marketing in the new era.”

—**Hermann Simon**, Founder and Chairman,
Simon-Kucher & Partners

“No one has a finger on the pulse of marketing like Phil Kotler. His ability to identify and interpret new marketing trends and developments is truly astounding. Once again, with *Marketing 4.0*, Kotler and his co-authors help to blaze a new trail to marketing success. This is definitely the one marketing book you HAVE to read this year.”

—**Kevin Lane Keller**, E.B. Osborn
Professor of Marketing, Tuck School of Business

“Kotler and his associates have beautifully synthesized today’s digital, interactive marketplace and marketing’s new role.”

—**Don Schultz**, Professor (Emeritus-in-Service) of Integrated
Marketing Communications, Medill School at Northwestern University

“No one is more qualified than Philip Kotler, the father of marketing, to document the enormous changes taking place in the field today. The future of marketing is digital and this book is your guide.”

—**Al Ries**, Author of
Positioning: The Battle for Your Mind

“As the world of marketing increasingly grapples with digital transformation, *Marketing 4.0* offers an exciting framework along with examples for practitioners.”

—**Nirmalya Kumar**, Professor of Marketing,
London Business School

“A terrific guide to the transformations that are already coming over the horizon to challenge marketing practice. Perplexed marketers will learn how to navigate the power shifts and possibilities of digital connectivity and turn them into advantages.”

—**George S. Day**, Geoffrey T. Boisi Professor Emeritus,
Wharton School of the University of Pennsylvania

“I am often overwhelmed by the variety and the speed of change, in spite of being in marketing consulting for forty years. I am therefore happy that the ‘guru’ Philip Kotler, who began with *Marketing 1.0* over four decades ago, is still with us to make another significant contribution with *Marketing 4.0*—guidelines to deal with changes today, especially those brought about by the IT revolution and changing consumer profiles.”

—**Walter Vieira**, Marketing Consultant, Author,
Visiting Professor, Past Chairman of
International Council of Management Consulting Institutes

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To the next generation of marketers and behavioral economists, who will enhance the economic, social, and environmental contributions that marketing makes to the welfare of people and the planet

—Philip Kotler

To President Joko Widodo, Marketeer of the Year Indonesia—Government 2010-2012 and A New Hope (Time magazine, October 27, 2014)

—Hermawan Kartajaya

To my family and friends and everyone else around me who has become my f-factor and made me a better human

—Iwan Setiawan

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PROLOGUE

FROM *MARKETING 3.0* TO *MARKETING 4.0*

For the past six years, marketers whom we met around the world have been asking for a sequel to *Marketing 3.0*. Considering the dynamics of marketing, many would expect *Marketing 4.0* to be in the pipeline.

In *Marketing 3.0*, we talked about the major shift from product-driven marketing (1.0) to customer-centric marketing (2.0), and ultimately to human-centric marketing (3.0). In *Marketing 3.0*, we observed customers transforming into whole human beings with minds, hearts, and spirits. Therefore, we argued that the future of marketing lies in creating products, services, and company cultures that embrace and reflect human values. Since the book was published in 2010, many marketers have been adopting the principles of *Marketing 3.0*. The book was so universally accepted that it has been translated into 24 languages besides English globally.

A year after the book was published, we built the Museum of Marketing 3.0 in Ubud, Bali. The museum was built with the kind support of the three princes of Ubud: Tjokorda Gde Putra Sukawati, Tjokorda Gde Oka Sukawati, and Tjokorda Gde Raka Sukawati. Ubud, with its aura of spirituality, is indeed the perfect place for the first marketing museum of its kind. In the museum, we have been curating inspiring cases of marketers, companies, and marketing campaigns that embrace the human spirit. The contents are organized

in a modern multiscreen setup. In recent years, the museum has been upgraded with advanced technologies such as augmented reality and virtual reality.

Indeed, a lot has happened since we wrote *Marketing 3.0*, especially in terms of technological advancements. The technologies we are seeing today are not new. But they have been converging in recent years, and the collective impact of that convergence has greatly affected marketing practices around the world. New trends are emerging from this: the “sharing” economy, the “now” economy, omnichannel integration, content marketing, social CRM, and many other things.

We believe that the technology convergence will ultimately lead to the convergence between digital marketing and traditional marketing. In a high-tech world, people long for high touch. The more social we are, the more we want things that are made just for us. Backed by big-data analytics, products become more personalized and services become more personal. In the digital economy, the key is to leverage these paradoxes.

In this transitional era, a new marketing approach is required. Thus, we introduce *Marketing 4.0* as the natural outgrowth of *Marketing 3.0*. The major premise of this book is that marketing should adapt to the changing nature of customer paths in the digital economy. The role of marketers is to guide customers throughout their journey from awareness and ultimately to advocacy.

The first part of the book is the result of our observation of the world we are living in. We start by embracing the three power shifts that are shaping our world. We move further by exploring how connectivity has fundamentally changed human lives. Moreover, we take a deeper look into the major digital subcultures of youth, women, and netizens that will serve as foundations for a completely new breed of customer.

The second and core part of the book discusses how marketers can boost productivity by understanding customer paths in the digital era. It introduces a new set of marketing metrics and a whole new way of looking at our marketing practices. We will also dive deep into several key industries and learn how to implement the ideas of *Marketing 4.0* in those industries.

Finally, the third part describes in detail the major tactics of *Marketing 4.0*. We start with human-centric marketing, which aims to humanize brands with humanlike attributes. We then explore content marketing in greater detail in order to create customer conversations. Moreover, we also describe how marketers can implement omnichannel marketing for higher sales. Finally, we dig into the concept of customer engagement in the digital era.

In essence, *Marketing 4.0* describes a deepening and a broadening of human-centric marketing to cover every aspect of the customer's journey. We are hopeful that you will find insights and inspirations from this book and join us in redefining marketing in the years to come.

ABOUT THE AUTHORS

Philip Kotler, the S.C. Johnson & Son Distinguished Professor of International Marketing at the Kellogg School of Management, Northwestern University, is widely regarded as the Father of Modern Marketing. He is ranked by the *Wall Street Journal* as one of the top six most influential business thinkers. The recipient of numerous awards and honorary degrees from schools all over the world, he holds an MA from the University of Chicago and a PhD from the Massachusetts Institute of Technology (MIT), both in economics. Philip has an incredible international presence—his books have been translated into approximately 25 languages, and he regularly speaks on the international circuit.

Hermawan Kartajaya is the founder and Executive Chairman of MarkPlus, Inc., and is one of the “50 Gurus Who Have Shaped the Future of Marketing,” according to the Chartered Institute of Marketing, United Kingdom. Hermawan is also a recipient of the Distinguished Global Leadership Award from Pan-Pacific Business Association at the University of Nebraska-Lincoln. He is the current President of the Asia Council for Small Business—a regional council of affiliates and chapters of the International Council for Small Business—and a co-founder of the Asia Marketing Federation.

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