

Marketing 3.0: From Products to Customers to the Human Spirit by Philip Kotler

Marketing 3.0 is a concept coined by renowned marketing guru Professor Philip Kotler in his book "*Marketing 3.0: From Products to Customers to the Human Spirit*" (Kotler, 2010). In this book Professor Kotler explains how the future of marketing is now firmly ensconced in the creation of products, services, and company cultures that have to firmly zero-in on the values of their target audience.

The book is intended for an audience interested specifically in marketing and it is mainly divided into three parts and each part has relevance for modern day marketing models: The three parts are:

- Trends
- Strategy and
- Application

Trends discusses the current models used in marketing and lays out the roadmap for the future model for marketing 3.0. The chapters in this part lay the foundation based on current societal trends. This enables Professor Kotler to delve into many of the issues prompting the change and ultimately suggesting the revamping of the Four P's, STP (Segmenting, Marketing and positioning) and brand building – into the Three C's – Co-creation, Communitization and Character building. This leads into three core concepts: identity, integrity and image, the main objectives of marketing 3.0.

Strategy is concerned with marketing the vision to consumers and shareholders, and values to employees and channel partners. In this part Professor Kotler deals with communicating the marketing 3.0 concept to consumers, employees, channel partners and shareholders.

Application revolves around delivering socio-cultural transformation, emerging market entrepreneurs and the struggle for environmental sustainability. There is a lot of emphasis on the social-responsibility of companies. The responsibility of the companies is not just to make profit but also retaining sustainability and reduce social inequality.

The essence of marketing 3.0 boils down to the involvement of customers and how they can be engaged so that there is value addition in buying the products. Marketing strategists must plan on engaging the customers instead of focusing entirely on the product.

The tagline of the book succinctly explains the message: *“From Products to Customers to the Human Spirit”*, and although there are the 4Ps of Marketing – Product, Price, Place and Promotion, marketers still tend to focus excessively on the product. The rising e-commerce wave is however starting to change the playing field. Kotler hints at how the rise of “gentle capitalism” which focuses on corporate social responsibility (CSR) is the engine that is driving the change.

The book pivots around the concept that as the macro economics of the world have changed, so has consumer behavior. This comes as no great surprise. It presents the last 60 years of Marketing in three phases: Marketing 1.0 was very product centric, Marketing 2.0 evolved into consumer centric and now Marketing 3.0 will be human centric and values driven.

	Marketing1.0	Marketing2.0	Marketing3.0
Objective	Product sales	Customer satisfaction	Sustainability
Enabling forces	Industrial revolution	Information technology	Disruptive innovation
Companies perception of the market	Mass buyers	Consumers aware of marketing forces	Self-actualized people first; consumers second
Key concepts	Product development	Product differentiation	Values
Company marketing guidelines	Product specification	Product positioning	Corporate vision, mission and values

Value proposition	Functional	Functional and emotional	Functional, emotional and spiritual
Customer interaction	One-to-many	One-to-one	Many-to-many
Orientation	transaction	Relationship	customer

‘Human centric marketing’ balances profitability and corporate social responsibility. If customers have to choose between two products they will choose the one they think will contribute the most to environmental sustainability.

Table 1: Comparison of the three types of Marketing

The marketing executive’s role has also transformed. He no longer has to pitch something to the consumers to buy, rather the senior management has to ensure that their company is built on a strong foundation of values and they create value for society while delivering for the customer. Simultaneously, they have to differentiate from their competitors and most importantly, try not to adopt the blinkered 2.0 consumer centric model and treat consumers as self-actualized humans.

Kotler credits the rise of social media to the changes in the marketing strategies and he categorizes social media as:

- Expressive: encompasses blogs, YouTube, Twitter and Facebook. Websites where a lot of social interaction occurs.
- Collaborative: Wikipedia, Craigslist, and Rotten tomatoes. Websites where people share, build and contribute.

Ninety percent of consumers who participated in a survey conducted globally by AC Nielsen state that they only base their decisions based on recommendations from the people they know. Seventy percent of the people responded that they believe in customer opinions that are posted online on forums.

The collaborative social media outlets are the wellsprings of innovation and are based on the theory of wisdom of the crowds. The central tenet for collaborative websites is that marketing executives face a collective loss of control over their brands and should focus to gain the collective power of the consumer.

The 10 credos for Marketing 3.0 that are discussed in the final part of the book are especially useful for marketing executives. They are enumerated below:

Credo 1 – Love your customers, respect your competitors (Win their loyalty through giving them great value and touching their emotions and spirit).

Credo 2 – Be sensitive to change, be ready to transform.

Credo 3 – Guard your name, be clear about who you are.

Credo 4 – Customers are diverse; go first to those who can benefit most from you.

Credo 5 – Always offer a good package at a fair price.

Credo 6 – Always make yourself available, spread the good news.

Credo 7 – Get your customers, keep and grow them.

Credo 8 – Whatever your business, it is a service business.

Credo 9 – Always refine your business process in terms of quality, cost and delivery.

Credo 10 – Gather relevant information but use wisdom in making your final decision.

Conclusion:

The central argument of Kotler in this book is that marketing strategies must shift towards the wants and needs of the consumers instead of the product. There is a lot of disconnect between the product and service offerings and as human desires become more complex, marketing has to evolve. Marketing 3.0 ensures that a company can be profitable while remaining customer centric and this is a very important concept to bear in mind.

This was a very stimulating book to read and while there were certain sections where I felt Professor Kotler was repeating the same ideas multiple times, it was well worth the read and I would recommend it without any reservations.

About the Author:

Philip Kotler is an American marketing author, consultant, and professor; currently the S. C. Johnson Distinguished Professor of International Marketing at the Kellogg School of Management at Northwestern University

Bibliography

Kotler, P. S. (2010). *Marketing 3.0: From products to customers to the human spirit*. Hoboken, NJ: John Wiley & Sons.