BOOK REVIEW

Marketing 4.0: Moving from Traditional to Digital
Authors: Philip Kotler, Hermawan Kartajaya, Iwan Setiawan
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OVERVIEW

This book is currently considered to be a profound marketing text for the digital age written by Professor Philip Kotler who is regarded as 'the Father of Modern Marketing' worldwide and the author of 57 books in marketing and his associates. The second author is Hermawan Kartajaya who is one of the top "50 Gurus Who Have Shaped the Future of Marketing." The third author, Iwan Setiawan, is the Chief Operating Officer of MarkPlus, Inc. (www.markplusinc.com) and the Editor-in-Chief of a business magazine, Marketeers.

In this book, Kotler et al. (2017) highlight the importance of the Internet of Things (IOTs) for marketing in the new era, and attempt to uncover the convergence of digital marketing and traditional marketing to "*drive consumers from awareness to advocacy*"(p.66). Owing to the fact that marketing is transiting from product-driven Marketing 1.0, through customer-focused Marketing 2.0, to human-centric Marketing 3.0, and eventually to digitally-based Marketing 4.0, this book enables readers to navigate the world of ever-changing marketing scenarios and consumer landscapes to obtain more knowledge about how to reconfigure marketing resources and competences in a dynamic and pluralistic era. This serves as a foundation to empower Marketing 4.0 which is essential for improving productivity through an integration of the online and offline worlds between companies and customers, which will likely result in a revolution within the classical marketing mode. Remarkably, this book is 'user-friendly' for the general public and provides practical guidance for the readers by which the readers are able to exploit the changes in the contemporary marketing environment.

In this book, the authors mainly articulate how the internet influences and fosters the function of internet-based practices such as the sharing economy, Weconomy, social CRM, omnichannel integration, content marketing, etc. To better identify and interpret new marketing trends, Marketing 4.0 is structured into three main parts as follows:

Part I: Fundamental Trends Shaping Marketing
Part II: New Frameworks for Marketing in the Digital Economy
Part III: Tactical Marketing Applications in the Digital Economy

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REVIEW

Overall, the theme of Marketing 4.0 is to expound that the Internet-of-Things (IOTs) is a revolution of classic commercial modes. Or, it can be said that the IOTs has sharply accelerated changes that have already been reshaping the industry. Entrepreneurs and marketers in this digital age are encouraged to react accordingly in order to win, thereby sustaining their businesses. For that purpose, a series of adjustments or adaptations is desirable.

In Part I, Kotler et al. (2017) discuss power shifting to connected customers, the paradoxes of marketing to connected customers and the impact of subcultures in the digital era as well as the role of Marketing 4.0 in a digital economy. We enjoyed this book beginning with connectivity impacting competition and customers on page 20. Collaboration, communication, and co-creation are now the key elements that an enterprise should possess in order to win in a digital marketing environment. Also, the authors do not believe that internet-based marketing is able to replace "legacy" marketing. Rather, there is a need to coexist to deliver the best customer experience. In addition, the authors indicate an increasingly distracted customer, meaning that the average human attention span has declined from 12 seconds in 2000 to 8 seconds in 2013. Consequently, certainty is needed for marketers to advocate thereby triggering their engagement in marketing practices, which aim to win customer attention and create brand conversation in customer communications. More importantly, in such a connected world, the traditional 4Ps-based marketing mode has progressed to a 4Cs-based mode, i.e. from product, price, place, and promotion to co-creation, currency, communal activation, and conversation. The authors state that, "*with a connected marketing mix (the four C's), companies have a high likelihood of surviving in the digital economy. However, the paradigm of selling needs to change as well. Traditionally, customers are passive*

objects of selling techniques. In a connected world, the idea is to have both sides actively obtain commercial value. With increased customer participation, companies are engaging customers in transparent commercialization." (p.51)

In Part II, one highlight is that the authors reframed the customer path from AIDA as coined by E. St. Elmo Lewis stressing Attention, Interest, Desire, and Action to 5As referring to Aware, Appeal, Ask, Act, and Advocate. This is a major move in consumer behaviour. In a digital marketing context, customers tend to be aware (being passively exposed to various brands from experience), to appeal (being attracted to a short list of brands), to ask (questioning and being convinced about product message), to act (purchasing and interacting), and ultimately to advocate (spontaneously recommending product). What's more, to ensure the success of the 5As customer path, three main influences should be leveraged: own, others, and outer. A customer's fulfilment of 5As is affected by a combination of his or her own influence, others' influence, and outer or external influences. This is what the authors call the O Zone (O_3), which claims to be an insightful mechanism to optimize a marketer's efforts. For instance, marketers tend to put more efforts into strengthening marketing communication when outer influences play a more important role. On the flip side, marketers often focus on more community marketing practices when others' influence becomes more significant. Besides, when ones own influence is vital, marketers needs to emphasize more on the post-purchase customer experience.

As for Part III, the authors argue that customer engagement tactics are necessary when driving customers from purchase to advocacy. In this context, three approaches are likely to trigger engagement in a digital economy. First, mobile applications can be employed to boost digital customer's experience. Second, the implementation of social CRM tends to encourage customers in conversations and provide solutions. Finally,

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gamification, i.e. using gaming techniques, can be employed to drive the right set of customer behaviours. The first highlight in Part III is the marketing productivity metric: Purchase Action Ratio (PAR) and Brand Advocacy Ratio (BAR). PAR measures how well brands convert awareness into a purchase. BAR measures how well brands convert customer awareness into advocacy. PAR and BAR are important because they are better measurements for return on marketing investment. Another sparkle is the illustration of content marketing. As a shift from advertising to content marketing has been prevalent, a change of mindset is required, implying that an emphasis on content production and content distribution deserve closer attention. Instead of delivering a value-proposition message, marketers in the digital marketing era should deliver content that is meaningful, useful, and valuable, which will likely accelerate customer conversation about the product or service.

Today's marketing scenario has changed to be more dynamic and hyper-connected, in which collaboration, cooperation, and co-creation are playing dominant roles. Firms are encouraged to communicate with one another. Firms are encouraged to create, enable, strengthen, and empower customer conversations in order to advocate the brand. At the end of the Marketing 4.0, the authors point out the crucial role that business leadership plays. They suggest that marketers externally emphasize consumers and competition, and internally emphasize the organization itself.

In conclusion, Marketing 4.0 is perhaps the most fruitful new resource we have have providing insight in the field of marketing, and specially, it is becoming prevalent among entrepreneurs, the next generation of marketers, behavioural economists, and business students, because the authors focus on the impact of the IOTs on marketing practices with amazing insight. A shift of mindset is required in the digital marketing milieu, meaning that marketers should be more open-minded and dynamic whilst the characteristics of consumer groups are changing, more collaboration and cooperation among stakeholders are encouraged, and more customer engagement tactics should be reinforced. As a result, entrepreneurs and marketers should not be ultraconservative and self-satisfied with old practices. Rather, a readjustment of business strategies is inevitable corresponding to the fast-changing IOTs environment, and marketing is at the forefront in this scenario. By reading Marketing 4.0, we can strengthen our understandings of how the Internet helps advancing marketing practices in the digital age at the landscape level. At micro level, Marketing 4.0 can deepen our understanding about consumer behaviour, strategic planning, branding, communication, etc. For instance, what sort of medium do we need to use to reinforce brand advocacy in the digital age while digitalization is becoming an increasingly inevitable trend?

Main content are extracted from *Marketing 4.0: Moving from Traditional to Digital*, by Philip Kotler, Hermawan Kartajaya and Iwan Setiawan (Wiley, 2017)