



Growing Role of Marketing 4.0 in Digital World

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ABSTRACT

The field of Marketing has evolved drastically over the last decades. Marketing has shown a tremendous and robust growth all over the world, both in brick and mortar and digital marketing platforms. Now, the concept of Marketing 4.0 has captured the attention of companies all around the world.

Traditional Marketing tools and techniques are becoming obsolete and the new form of Marketing 4.0 has garnered a lot of importance due to its contemporary nature and multi-faceted benefits. The power shift has been changed from exclusive to inclusive, vertical to horizontal and individual to social. This paper will discuss the growing role of Marketing 4.0 in digital world and its implications to the organizations and customers.

Keywords : Competition, Customer, Digital and Marketing 4.0

Concept of Marketing 4.0

Marketing 4.0 is a marketing approach that combines online and offline interaction between companies and customers. In the digital economy, digital interaction alone is not sufficient. In fact, in an increasingly online world, offline touch represents a strong differentiation.

Traditionally, marketing always starts with segmentation—a practice of dividing the market into homogenous groups based on their geographic, demographic, psychographic, and behavioral profiles. Segmentation is typically followed by targeting—a practice of selecting one or more segments that a brand is committed to pursue based on their attractiveness and fit with the brand. Segmentation and targeting are both fundamental aspects of a brand's strategy. They allow for efficient resource allocation and sharper positioning. They also help marketers to serve multiple segments, each with differentiated offerings.

However, segmentation and targeting also exemplify the vertical relationship between a brand and its customers, analogous to hunter and prey. Segmentation and targeting are unilateral decisions made by marketers without the consent of their customers. Marketers determine the variables that define the segments. The involvement of customers is limited to their inputs in market research, which usually precede segmentation and targeting exercises. Being “targets,” customers often feel intruded upon and annoyed by irrelevant messages aimed toward them. Many consider one-way messages from brands to be spam. In the

digital economy, customers are socially connected with one another in horizontal webs of communities. Today, *communities* are the new *segments*. Unlike segments, communities are naturally formed by customers within the boundaries that they themselves define. Customer communities are immune to spamming and irrelevant advertising. In fact, they will reject a company's attempt to force its way into these webs of relationship.

To effectively engage with a community of customers, brands must ask for permission. Permission marketing, introduced by Seth Godin, revolves around this idea of asking for customers' consent prior to delivering marketing messages. However, when asking for permission, brands must act as friends with sincere desires to help, not hunters with bait. Similar to the mechanism on Facebook, customers will have the decision to either "confirm" or "ignore" the friend requests. This demonstrates the horizontal relationship between brands and customers. However, companies may continue to use segmentation, targeting, and positioning as long as it is made transparent to customers.



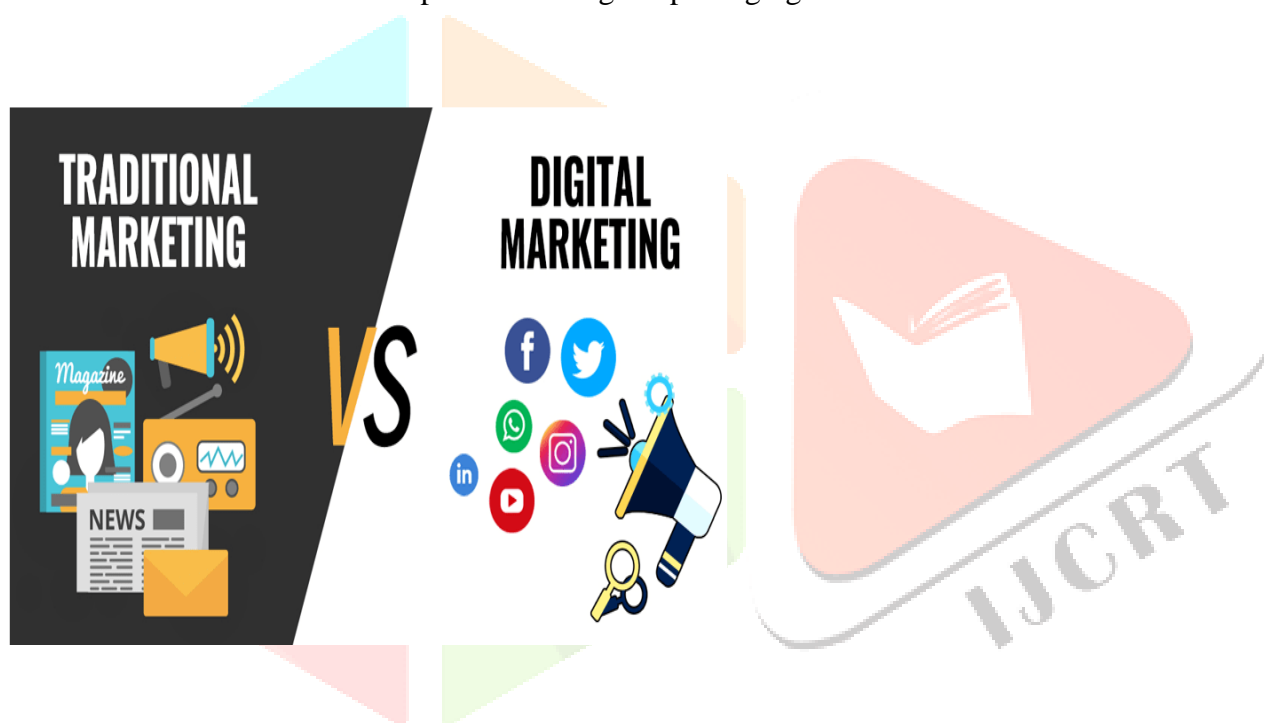
Shifting From Marketing 1.0 to Marketing 4.0

Changes or evolution from marketing 1.0 to marketing 4.0 can be discussed from several numbers of built perception. The first marketing method is known as marketing 1.0, a product-centered approach. This marketing basically focuses on selling products without considering the needs and wants of the target market and is only oriented towards increasing sales (Pellet, 2011). The economy is only based on the supply and availability of products, which are marketed by manufacturers with one-way communication using existing media such as television, radio, printed media, and also letters. Manufacturers in the marketing 1.0 focused heavily on how the best products will be produced, without thinking about whether the product can meet the expectations of potential customers or not.

In Marketing 2.0, marketing activities shifted to the customer-oriented area due to the development of human needs for a product. This gives an impact on the variety of product offerings related to the growth of customers' characteristics so that in this era, customers have a variety of choices in determining purchasing decisions. From this method, customers benefit by getting product value that is more oriented to finding new target markets.

In Marketing 3.0, people are more aware of social and humanistic sides where customers are treated as humans. This is marked by changes in customers’ behavior that require a joint intervention from collaborative, cultural, and spiritual marketing (Kotler et al, 2012). In this era, customers are more sensitive to problems occurring in society, which makes many organizations or companies more focused on improving the main business and trying to achieve the values desired by the community (Erragcha et. al, 2014). In this era, the relationship between manufacturers and customers began to be established by seeing the habits, activities, and also the increasingly complex culture of society so that manufacturers create products that are desired by the community.

Alfirahmi (2019) describes Marketing 4.0 as a marketing approach that combines online and offline interaction between marketers and customers. The era of the digital economy is not enough just with digital interactions, as said by Kertajaya (2017) that the concept of Marketing 4.0 must support the human side of customers. The concept of Marketing 4.0 is a mix of Marketing 3.0, which joins online and offline. In marketing 4.0, marketers are asked to not only prioritize branding, but also pay attention to the human side of customers by presenting customer-relevant content and up-to-date and good packaging



Digital Marketing	VS	Traditional Marketing
Reach out to maximum people.		Limited Audience.
Can promote internationally.		Limited to particular region.
Cost effective for promoting their brand globally.		Effective & time consuming process for traditional marketing.
Immediate Communication.		Delayed Communication.
Your product or services is 24*7 Advertising.		That is not possible in traditional marketing.
High Conversion Rate.		Low Conversion Rate.

Objectives of the Study

- To understand the concept of Marketing 4.0 and its growing role in digital world.
- To compare and contrast traditional marketing with digital marketing.
- To discuss the implications of Marketing 4.0 on organizations and customers.

Research Methodology

- The paper is of qualitative and conceptual in nature, hence descriptive research design is used for the study.
- Data collection is secondary in nature from journals, articles and books.

The Implementation of Business Practices of Marketing 4.0

Marketing 4.0 has been implemented in various companies in Indonesia. One of them is the pharmaceutical industry which has made changes from Marketing 1.0 to Marketing 4.0 through 4 (four) stages. Transformation is carried out from conventional to digital modern models. The step begins by establishing a strategy that is suitable for digital transformation. The next step is by analyzing marketing channels to be able to understand the customer environment. The third step is by designing an online pharmacy store in developing business models. The final step is by developing a strategic partnership with online transportation to gain customer experience in the pharmaceutical industry (Rahayu et .al, 2018). The presence of the „Halodoc“ online application is one of the Marketing 4.0 implementations in the health and pharmaceutical industries. Customers“ need for health by seeing doctors and purchasing pharmaceutical drugs previously were marketed through traditional methods by advertisements in printed media and television. This advertisement provides information about the availability of hospitals, doctors, and pharmacies so customers can use this information to make purchases on hospital and doctor services as well as medicinal products. This method is also implemented in the Marketing 4.0 era which combines traditional and digital marketing of these health needs. Doctor services can be directly obtained conventionally in hospitals or clinics, in addition to that, information can be accessed through social media or online applications that support digital marketing of health products as well as pharmaceutical products through the Halodoc application. The „Halodoc“ application also carries out a strategic partnership with online transportation facilities namely Gojek and the payment process can be done through the Gopay application. Marketing 4.0 harmonizes traditional and digital marketing to strengthen the brand while reaching customers“ needs. The millennial now also represents a change in lifestyle within the community. Drinking coffee, which was originally a basic necessity, now is developed into a lifestyle that can show the existence of millennials in their social circle. Coffee was originally produced and marketed in packaging and was promoted in printed media and television. Nowadays, for the sake of something that is called “present” to follow changes in lifestyle, coffee shops in various cities in Indonesia have emerged with a variety of interesting concepts and features. In addition, coffee is also considered as a support in activities whose availability requires marketers to innovate with a variety of flavors. Marketers also provide digital

applications to facilitate coffee lovers to buy coffee online which is then delivered to them through the coffee shops" strategic partnership with various transportation online such as Gojek and Grab, with digital payment media that make it easy for customers to pay. Marketing 4.0 combines traditional and digital marketing as a means of strengthening brands and customers

HOW MARKETING 4.0 AFFECTS ORGANIZATIONS AND CUSTOMERS?

In Marketing 4.0, customer data acquisition plays the leading role, and completely transforms the buying process by focusing as much on needs as on expectations and behavior.

With marketing 4.0 and the Internet, the interaction between products and consumers has become faster.

Conclusion

Marketing 4.0 is a marketing approach that combines online and offline interaction between companies and customers. Marketing 4.0 leverages machine-to-machine connectivity and artificial intelligence to increase marketing productivity while leveraging human-to-human connectivity to strengthen customer engagement.

Marketing mix is a classic tool to help planning what is offered and how to offer it to customers. The marketing mix is based on 4Ps: Product, Price, Place, and Promotion. The marketing mix (the four Ps) should be redefined into the four Cs (co-creation, currency, communal activation, and conversation

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