

# MARKETING 3.0: A NEW VALUES-BASED MARKETING STRATEGY

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**Annotation.** In a world full of changes and uncertainty companies cannot succeed without the continuous adaptation to marketing environment and customers' demands. The present-day market conditions are currently cultivating a new "Marketing 3.0" concept. This human-centric and values-based strategy is aimed not only at satisfying the deepest customers' needs, but also at improving the world around us. And the companies that integrate Marketing 3.0 into their business model can achieve a strategic competitive advantage and ensure benefits for their stakeholders and for the society as a whole. This article provides a detailed description of the main ideas that constitute the Marketing 3.0 concept.

**Key words:** Marketing 3.0, Marketing 2.0, Marketing 1.0, marketing, marketing strategy, human-centric marketing, network marketing, Philip Kotler.

The present article focuses on the Marketing 3.0 strategy that was conceptualized by Philip Kotler and his colleagues in 2010 and describes its prerequisites, basic assumptions and principles.

In order to prosper in a rapidly changing environment companies have to adapt their strategies to the forces that influence their operation. Thus, the organization's activity is constantly changing and evolving. This is especially true for marketing. The necessity of satisfying mutable customers' needs and meeting stakeholders' expectations makes companies regularly revise their marketing strategies in terms of relevance and efficiency. And firms nowadays are in the continuous search for marketing concepts that could help them to achieve a competitive advantage. Marketing 3.0 is one of the most innovative concepts that have emerged recently in response to the new influential factors of marketing environment.

The term «Marketing 3.0» was introduced in 2005 by the employees of the Indonesian consulting company MarkPlus Hermawan Kartajaya and Iwan Setiawan. Soon the idea of a new human-centric marketing strategy drew attention of the legendary marketing sage Philip Kotler whose cooperation with Kartajaya and Setiawan resulted in publishing the book «Marketing 3.0: From Products to Customers to the Human Spirit» in 2010. The book provided a comprehensive description of Marketing 3.0 and postulated the key principles of that marketing strategy. Those principles, as well as the basic assumptions of the Marketing 3.0 concept, will be considered in greater detail below.

The authors of the Marketing 3.0 concept believe that fierce competition, scientific progress and rapidly changing marketing environment force companies to modify their marketing strategies. So marketing concepts are constantly evolving in order to respond to mutable market conditions and customers' needs. As a result, the nature of marketing has changed over the past 60 years [3]. Philip Kotler and his colleagues have identified three main stages of marketing concepts' evolution [1].

- 1) Marketing 1.0 came into being as a result of the Industrial Revolution. The companies on that stage focus on ensuring mass production and mass sale of standardized goods with only functional benefits. There is little competition in each product market and the customers

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are viewed as mass buyers with common physical needs. Thus, the companies' activity is driven exclusively by the strife for increasing efficiency via reducing costs and enhancing productivity [4]. That is why Marketing 1.0 is referred to as a *product-centric era*. Marketing 1.0 dominated at the beginning of the XX century, but is still being used by many companies nowadays.

- 2) Marketing 2.0 emerged in the 1950s and was inspired by escalating market competition, increasing product diversity and information technologies development. The customers on that stage become more informed and exacting as they have the possibility to compare different goods and services in terms of price and quality. That is why the companies have to regard them not as ordinary buyers, but as smart individuals with both physical and emotional needs whose choices determine the product value [5]. The firms on that stage tend to concentrate on serving customers' needs. Thus, Marketing 2.0 is referred to as a *customer-centric era*. It is Marketing 2.0 strategy that is followed by the majority of the companies nowadays.
- 3) Marketing 3.0 or a *values-driven era* is the stage which is in progress right now. This shift is being driven by a variety of forces, among which are globalization, economic crises, environmental problems and the development of the so-called «new wave» technologies including cheap computers and mobile phones, low-cost Internet access and open-source software [1]. Those factors cultivate a new sort of customers with several distinctive characteristics:
  - 1) They collaborate widely, easily and ubiquitously via «new wave» technologies. As a result, their collective power (or the Power of Buyers according to M. Porter's five forces analysis) is on the increase.
  - 2) They appreciate creativity and innovation. Self-actualization needs start to play a leading role in customers' hierarchy of needs. That is why customers search for opportunities to participate in their community and to co-create goods and services with companies [4].
  - 3) They want their deeper needs to be satisfied. In the time of uncertainty and disarray caused by the abundance of similar goods and services on the market customers look for not only functional and emotional, but also human spirit fulfilment in the products and services they choose [5].
  - 4) They want to make the world a better place. Nowadays customers' needs extend beyond material goods. They care not only about themselves, but also about the society as a whole. Thus, customers choose companies, products and services that have the potential to solve urgent problems and to improve the world [2].

If the companies want to retain relevance to the emerging environment, they have to go beyond product development or customer satisfaction. Their strategy should become more sophisticated and aim at turning the company into a values-driven and human-centric organization [4]. In order to do this, the companies should gradually integrate the Marketing 3.0 principles in their business model. Those principles may be described as follows [1]:

- 1) *Treating customers as whole human beings*. In the Marketing 3.0 era customers should be regarded not as mere consumers, but as multi-dimensional and values-driven individuals. And to make a sympathetic linking with the customers, the companies have to target not only their mind and heart, but also their human spirit. Thus, the companies' policy should encompass delivering satisfaction, realizing aspirations and practising compassion [2].
- 2) *Engaging customers in producing goods and services*. The companies should not only address their customers' spirit, but also fulfil their insightful needs for participation in value creation. Therefore, the process of designing and producing goods and services transforms into co-creation. It implies that firms provide a product platform that can then be tweaked and individualized by customers [2].

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- 3) *Collaborating with stakeholders.* The companies nowadays cannot be treated as isolated and self-sufficient entities. Instead, they should be regarded as the parts of complex heterogeneous networks that include employees, distributors, partners and shareholders. And the companies cannot operate successfully unless they establish long-term and mutually beneficial relationships with their stakeholders.
- 4) *Implementing societal functions.* In order to collaborate with customers at the spiritual level effectively, the companies have to share their dreams to make the world a better place. That is why firms should tackle issues that impact the society as a whole. For instance, they may engage in environmental protection or local community support [1]. As for profit, it will definitely come up when consumers appreciate the companies' effort to improve human well-being.
- 5) *Orienting at long-term development.* In the product-centric era the companies' anxieties concentrated on current financial performance and ignored the long-term consequences of the majority of decisions. In the values-driven era, however, the companies cannot ensure profitability without sustainability. They should prefer strategic competitive advantage to short-term benefits.
- 6) *Incorporating Marketing 3.0 principles into the strategy.* The principles listed above can be implemented successfully only if they become the integral parts of the company's mission, vision and list of values. In that case they will act in unison and create synergies.

To conclude, Marketing 3.0 is an innovative marketing concept that tries to adapt the companies to the market factors that gain influence nowadays and will play an even greater role in the foreseeable future. Such human-centric strategy implies treating customers as multi-dimensional individuals, providing spiritual values, collaborating with stakeholders and searching the balance between commercial and societal goals. And the effective implementation of Marketing 3.0 concept will provide benefits not only for the company and its customers, but also for the society as a whole.

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