Marketing 4.0 a Literature Review

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Abstract: *The rapid technological advances in the world affect human behavior in general in life, as well as specifically in the business world which is very rapidly applying technology to help the production process, marketing products or services to get feed back from customers. Marketing has undergone a shift from Marketing 1.0 to Marketing 4.0. Marketing 4.0 is able to integrate offline traditional marketing with online digital marketing.*
Keywords: *Marketing 4.0, Traditional Marketing, Digital Marketing*

I. Introduction

In the past, the industry was in a stagnant condition, and now the situation changes due to the rapid development of technology. It is followed by marketing practices that changed with the same flow and speed. Digital technology is currently being integrated with various marketing activities continuously with many new approaches, methods, tools, and practices in marketing (Jara et. al, 2012). The rapid development of technology has an impact on economic growth throughout the world by increasing innovation, competitiveness, and the economy itself, so that the government, companies, and communities become dependent on technology that can facilitate all work and life activities to develop new capabilities (NIST, 2014).

From these conditions, the dependence of the global community on digital technology raises the curiosity of academics and practitioners to find out what opportunities will be faced as well as challenges in a market so that they can prepare it with the strength and a good strategy in marketing.

Millennial generation is also one of the marketing forces that previously was not taken into account. Marketers nowadays start to implement marketing tasks through media that use Information and Communication Technology (ICT) to identify possibilities that will occur in the future in implementing Marketing 4.0 in an organization.

Marketing 4.0 is a new system not only in terms of approaches, methods, and tools but also practices in marketing (Jara et al, 2012). In practice, the system encourages renewed humanitarian orientation in the digital age, which combines interactions between online and offline systems, and integrates style and substance. The industry does not only prioritize brands but also content that is relevant to customers (Vassileva, 2017).

Rapid technological advances have an impact on the development of community needs in their daily lives. Quickly-obtained information delivered to the public an opportunity for the industry to sell products or services very easily, and it is possible that the information gets feedback from customers, in this case wider communities, as a form of two-way communication. The internet then becomes a necessity for the community to fulfill and facilitate their activities.

In the history of its development, the Internet is a technology that was originally used for military purposes (Straubhaar et. al, 2012) which was later developed to be used for commercial purposes through the development of HTML and WWW. Human life cannot be far from exchanging information, which used to be a face-to-face conversation, now being done via mobile phones and even social media. Social media can create media content through user interactions or by file sharing. It then indirectly affects the product marketing model where companies begin to utilize user interaction as an effective and efficient sales method (Kotler et .al, 2019).

The concept of promotion has also developed in recent years. Traditionally, the promotion has always been a one-sided affair, where companies send messages to customers as audiences. With a connected marketing mix (4Cs), companies are most likely to survive in the digital economy. However, the sales paradigm must also changes. In a connected world, the idea is to ensure that both parties actively seek commercial value. By increasing customer participation, the company engages customers in transparent commercialization. With the marketing concept that has evolved, the marketing mix shifts from 4Ps (product, price, place, promotion) to 4Cs (customer solution, cost, convenient channel, communication). This modern marketing tactic follows the 4C model of the marketing mix that has long been proposed by Bob Lauterborn in an article written for the Advertising Age in 1990. Lauterborn argues that 4Ps are no longer relevant and no longer help marketers today in overcoming problems, so 4Ps need to be changed to variables that are believed to be very important (Jara et al, 2012).

Marketing 4.0 combines the shift in the promotion concept and the latest digital technology, which is customer-oriented, so that marketing activities no longer focus solely on products, but also on the conveniences and experiences obtained by customers in their involvement in the promotion and production processes carried out by manufacturers.

II. Shifting From Marketing 1.0 to Marketing

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. Marketing 2.0 should be shifted from "transactional marketing" to a new approach that can be characterized as a "marketing facilitator" (Kotler, 2012). In marketing 2.0, customers benefit from the availability of more products to meet their needs, while form the manufacturers' side, they compete with other manufacturers who provide similar products to win the target customers. This encourages manufacturers to find out more about the customers' needs to meet the product they want to buy.

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. Manufacturers then increase their production in their main business with distinctive characteristics to be able to remain competitive in a more diverse market.

Nowadays we are in the 4.0 marketing era with various new approaches in the field of marketing. Economic activities undergo changes affected by the global technological transformation that significantly changes trends in communication and information behavior. This makes marketing 4.0 not only focus on the internet and social media but also used to design marketing strategies that enhance the relationship between brands and customer relations. Today marketing 4.0 is one of the solutions to changes that are triggered by the market and aggressively-competing market participants with the demands of rapid technological advances along with innovation. Thus, digitization changes the decision-making process, how to obtain information, consideration, and evaluation of the products or services offered, rapid interaction with the organization, and the purchase of a product or service. A new generation looks for not only a product or service to satisfy their basic needs but also desires and attention that can satisfy their creativity and obtained values.

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.

On the other hand, Kertajaya (2017) argues that Marketing 4.0 puts forward the development of technology not only focus on the technology, but how technology can help brands in humanizing relationships with their customers. Marketing 4.0 that carries the concept of digital or more advanced technology does not necessarily replace off traditional marketing, because marketing 4.0 moves from enjoyment (1.0), experience (2.0), engagement (3.0) to empowerment (4.0) concerning the customers. In marketing 1.0, products creation only focus on meeting the needs of customers from the manufacturers' point of view, while marketing 2.0 is not only oriented to the fulfillment of customers' needs but also on the desires of customers which means that manufacturers focus more on products that are by customer desires (customerisation)). In marketing 3.0, manufacturers prioritize customer involvement in providing input to the desired product, then in marketing 4.0, manufacturers and customers together build and sell products in harmony so that manufacturers prioritize customers in providing products or services.

III. Marketing 4.0 as an integration of traditional and digital marketing.

Marketing 4.0 does not necessarily replace traditional marketing. Marketing 4.0 integrates traditional and digital marketing. Customers who initially have a brand awareness about a product that they know through traditional marketing like advertisement on television, then in marketing 4.0, customers can access the product online on social media, then buy the product, and because of the satisfaction they get from the product, they then will recommend the product to others in their circle both in social media and in the offline community (Rahayu et.al, 2018).

Dholakia et.al (2010) underline that marketing 4.0 is a marketing approach that combines online and offline interactions that its primary goal is to get customer advocacy.

IV. The Implentation of Business Practises 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.

V. Conclusion

The role of young people in influencing other markets is huge. First, they are early adopters. They are often accused of being rebellious and anti-establishment, that is, liking what adults hate. However, not all do this way. They are not afraid of experimentation. They try new products and experience new services that are considered too risky by older segments.

For marketers, it makes sense to target young people. They face all kinds of life challenges to realize their full potential in education and career while managing social dynamics among their peers. Marketers identify and overcome these challenges. The aim is to become relevant to the lives of young people and thus be able to access their growing wallet.

This technology helps develop several sectors in the economy, such as retail (e-commerce), transportation (automatic vehicles), education (massively open online courses), health (electronic records and personal medicine), and social interactions (social networking). However, many similar technologies that support the digital economy also disrupt the existing key industries and large industries.

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. The

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. In digital economics, co-creation is new product development strategies. Co-creation and customer engagement are the initial stages of forming ideas. Co-creation also allows customers to adjust and personalize products and services, thus creating superior value propositions. From this connected marketing mix (4Cs), companies have a greater possibility to survive in a digital economy. However, the sales paradigm must also change. In a connected world, the idea is to ensure that both parties actively seek commercial value. By increasing customer participation, companies engage customers in transparent commercialization.

In traditional customer service, personnel are responsible for carrying out certain roles and processes according to strict guidelines and standard operating procedures. In a connected world, collaboration is the key to the success of customer service success. Collaboration occurs when companies invite customers to participate in the process using their own service facilities. Digital marketing is not intended to replace traditional marketing. Instead, the two must co-exist with interchangeable roles along the customer's path. The important role of digital marketing is to encourage action and advocacy. Because digital marketing is more accountable than traditional marketing, the focus is to drive results, while traditional marketing focuses on initiating customers'interaction.

The essence of Marketing 4.0 is to recognize the transition role of traditional and digital marketing in building customer engagement and advocacy.

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