THE REEVALUATION OF COMMUNICATION
IN CUSTOMER APPROACH
– TOWARDS MARKETING 4.0

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Abstrakt

Background. Nowadays cooperation, interaction and dialogue with the target group seem to be more important than simple customer orientation. Such amendments reflect marketing management and require the reevaluation of the role of communication.

Research aims. This article is an attempt to systematize marketing concept focal points and milestones: from the product-centric, through to the customer-oriented, till the value-driven one. It also raises the issue of determining the possible direction of marketing 4.0.

Method. The presented argumentation is based on a literature review, analysis of internet sources and synthesis.

Key findings. The most important aspect of marketing 4.0 seems the collective of fully conscious buyers, co-creating products as well as many-to-many dialogue and cooperation.

Keywords: Marketing communication, Marketing 3.0, Marketing 4.0

INTRODUCTION

A turbulent business environment requires constant flexibility and a continuous search for new competing methods. The combined idea of crowdsourcing and social media currently serves as the basis for co-creation and improvement of business offers. Illustrating at the same time the Internet evolution from the read-only Web into the direction of Web 3.0 and Meta Web, partially serving as a remedy for the ailments of modern managers. Nothing, however, is free of charge. This co-creation requires far reaching changes and the reevaluation in its customer approach. Nowadays cooperation, interaction and dialogue with the target group seem to be more important than simple customer orientation. Such amendments reflect the modification in marketing management. This article is an attempt to systematize the marketing concept's focal points and milestones: from the product-centric, through to the customer-oriented, till the value-driven one. It also raises the issue of determining the possible direction of marketing 4.0.

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REVIEW

Reevaluating the Role of Communication

Communication is an integral part of human existence. Through this process entities provide their experiences, share knowledge and may even influence others. In the era of the information society it is the message, transferred in the communication process, that creates the highest value. What is more, the media is often considered as the fourth power. It is worth realizing though, that this position no longer belongs to television, radio and press only, as the Internet constitutes a growing and important element here (Tarabasz, 2012a, p. 387-395).

Because of the increasing popularity of this channel, both as a source of information and primarily as a marketing tool, more and more companies decide to stress their activity with usage of electronic communication tools. They are aware, that by choosing e-media they may reach a target group that is better educated and earns more than the average. These are mainly professionals, rather young (65% of internauts are less than 35 years old), that perceive the Internet as a channel inextricably linked with advertisement. They see this medium as indissolubly combined with advertising, which also increases their consumption approach. What is more in Poland, according to Internet World Stats data (InternetWorldStats, 2013), there are 24 940 902 internauts, which gives our country 8th place in Europe and provides almost 65% Internet penetration rate. Apart from that the channel itself is seen as a credible source of information.

From the advertisers' point of view, this medium has many advantages. On the one hand, there is a very attractive auditorium, on the other hand it is willingly used due to its technical possibilities. The internet, as a communication channel, is characterized by the ease for making changes to a transmitted message and the speed of feedback. In addition, it is defined by the possibility to simultaneously share roles between sender and receiver, due to the idea of social media and Web 2.0. At the same time it provides advertisers with complete measurability and high ROI. It is not surprising, therefore that in the total expenditure of 7.8 billion PLN on national advertising in 2011 (*Raport o rynku…*, 2011), 2 billion PLN (*Raport strategiczny…*, 2012) was spent on on-line advertising.

But not all that is gold glitters. The exchange of information within the network, growing self-awareness and buyers expectations i.e.: demand for transparency, personalization of products created with their cooperation and building partner relations, has unfortunately collided with a difficult market reality. Companies treat social media rather as another one-way (and very often inconsistent in content and image) marketing tube. Also they do not truly deal with relationship creation with the internauts community – listening in theory, but in practice - not taking action. This results

in the preparation of imprecisely targeted promotional-product offers. Such behavior leads to facts that were observed by the Nielsen's agency in 2009 (Meyer, 2013), where the declared recommendation credibility level of friends' opinions among respondents reached 90%, third-party opinion posted on the Internet was 70% and for online advertising did not exceed 40%. Marketers become hostages of the old paradigm, trying to maximize profits, depreciating the growing importance of CSR, thinking that consumers buy for purely rational reasons and last, but not least – forgetting about the growing power of social media.

The progressing consumer socialization with the ease of access to information and, above all the increase of causal buyer power for evaluating and even co-creating solutions, reflected the concept of customer-oriented marketing 2.0. Communication changed radically, because dialogue and the PULL system were introduced, as well as relationships in one-to-one characters. Most importantly, based on Web 2.0 tools, an inflexible paradigm of message sender and recipient was broken. The difference between subsequent stages of marketing concept development was described by Borges (2009) arguing „if we characterize Marketing 1.0 as being intrusive, interruptive and a style of one-way shouting at tour customers (outbound marketing), we can characterize Marketing 2.0 as being about conversations, collaboration, communities and word of mouth (inbound marketing)" (p.25). In such ways he condenses Marketing 2.0 into two mail pillars: content marketing and e-relationship building, showing the contact point between the marketing concept and idea of Web 2.0, but not limiting it only to activities related to online advertising (Tuten, 2008, pp. 2-19).

A similar gulf between 1.0 and 2.0 marketing is visualized based on the evolution of the communication approach apparent within the Internet. That interaction, on-line dialogue and co-creation ability distinguish participatory read-write Web 2.0 (Anderson, 2006, p.5) from the preceding Web 1.0 (so-called read-only Web) – passive content reception of web pages prepared by their authors. Participative and social Web 2.0 is created with capabilities provided by successively implemented technologies, applications and solutions. In this approach, the Internet is a digital platform enabling self-expression, co-created by the users. Implementation of social media has so far given relatively passive internet users activation to possibilities in the form of co-creation, sharing, chance of instant reaction and exchange of opinion and thoughts. Such benefits are provided by tools of the virtual community: blogs, microblogs, vlogs, podcasts, social networking sites, groups or forums or discussion lists, chats or communicators, content or creation sharing platforms, event or ranking sites (Tarabasz, 2012).

These solutions significantly increase the possibilities of communication between Internet users. It is worth, therefore, presenting figures to illustrate the difference. While in 1996 only 250 thousand of complete

websites were indexed and the network was used by 45 million users, 10 years later, the network had 80 million web pages and over a billion internauts (Cicarelli, 2013). This also means that almost 25% of websites content is directly generated by Internet users in the form of comments, adding photos, videos, music, rankings and recommendation systems. Due to Web 2.0 solutions we may experience collective intelligence, co-creation and crowdsourcing – drawing from "the wisdom of the crowd". This term reflects perfectly the collaborative nature of Web 2.0 and giving a causative effect to previously passive users.

Through full transparency of the medium, in which the information is available 24 hours a day, 7 days a week, and once posted, content can exist literally forever, the Internet has become for many the first (and sometimes even the only) source of information. According to eMarketer.com's 2010 research, 38% of Internet users consider that the consumers who are describing products on social networking sites are the most reliable source of information, while brand websites created by companies with information and advertising campaigns had only 32% reliability (Meyer, 2013). This illustrates the latent power of social media, especially considering the multitude of available options, unfortunately, not fully used in Poland.

Although from the communication flexibility point of view Web 2.0 might seem the ideal solution, it is not the target one. According to established assumptions after 2010 the role of keyword searches will decline, and till 2020, it will be sequentially replaced by processes of tagging, natural language searches and finally a semantic search. This is the equivalent of an entrance to the era of Web 3.0 (semantic web) and the times of intelligent search engines. This term describes the evolution of the Internet, as well as actions and concepts leading to the conversion of a present imparting knowledge system to a widely understood database model. The idea behind this activity is such that the processing of web content to the pattern received by different applications and systems are based on artificial intelligence, semantic solutions and adequate software. All this just to process the data in a variety of dimensions and identify intentions of an Internet user, basing on the context of data.

Entry into the era of Web 3.0 will make the algorithms work "for us" and almost "instead of us", suggesting, simplifying and offering "tailormade" solutions. In this approach, the term AI (Artificial Intelligence) actually ceases to be an abstraction, becoming everyday life. If this barrier is crossable, as envisaged in 2030, we will be able to talk about Web 4.0 – the Intelligent Web or the Meta Web, being capable of conscious reasoning. It is said that the entry of this period will permit full merging of the human being with technology, allowing for complete remote equipment operation and treating machinery as living creatures. Communication and

searching for information through the power of the subconscious will be available, as well as writing in real-time, without keyboard usage and remote management of all components and devices connected to the network. And though it may seem like pure science fiction, just looking back less than 50 years we may realize, that something so obvious and inherent in today's daily life, as the Internet, at that time did not exist.

It would appear that the implementation of Web 3.0 and 4.0 does not affect the process of client-company communication to the extent in which it did in the case of revolutionary social media solutions. It is worth, however, realizing that the dynamics of technology development in this area may surprise. Though, under the influence of briefly earlier described solutions and applications, the need to work on the marketing concept development was recognized.

The primary approach of Marketing 1.0, albeit satisfying customer needs but centered around the product, should be considered in the light of the presented solutions as trivial and oversimplified. However, its total depreciation would be wrong, as in comparison with product, production and sales orientation, the method of the "thinking customer" was revolutionary. Until now however, some companies continue penance belief, that the simple renaming of a trade/sales department into a marketing one is entirely adequate. Not infrequently companies, especially those of manufacturing character, compete in the market, based on a simple theory of product layers, just communicating further improvements and new benefits. It is worth noting, however, that even here far-reaching changes have taken place. The struggle takes place usually at the improved and potential product level, and current potential product becomes tomorrow's competitive level. And although marketing 1.0 focuses on the product, in fact it is about creating offers to satisfy customer needs, as the primary and overarching objective of this orientation.

In turn, defining solutions created within marketing 2.0, Kotler (2010, pp.3-7), indicates customer orientation in the form of satisfying and retaining them on the basis of offer differentiation and one-to-one communication. In such a manner he points to the difference between a modern approach to marketing and what awaits the concept in the future (Table 1).

Table 1. The Comparison of Current and Future Marketing Concept

	Current marketing concept	**Future marketing concept**
Product management	marketing mix (4Ps)	co-creation
Customer management	STP (segmentation, targeting, positioning)	communization
Brand management	brand building	character building

Source: own elaboration, based on Kotler, Kartajaya, & Setiawa, (2010, p.32).

Foregoing inventory shows the direction of changes in the contemporary marketing concept. It is worth emphasizing that target solutions proposed by Kotler are based in large on communication factors. As Mayer (2013) rightly points out, the necessity of change in this area results from increasing dissonance between customer expectations and what is offered to them by companies. Customers simply want a collaborative relationship, two-way communication, consistent presence, transparency, prompt dispute resolution, personalization and a feeling of importance. Instead of that they are unfortunately provided by companies with inconsistent communication, weak community-based relationships and non-targeted offers and promotions.

Paradigm Shift in the Marketing Concept: Marketing 3.0 & 4.0

The answer to these ailments appears to be the concept of marketing 3.0 (value driven marketing), emphasizing simultaneous communication and collaboration. According to Ph. Kotler it only takes into account the fact, that buyers actually are „humans with mind, heart and soul" for whom available communication solutions allow cooperation with companies in many-to-many relation types (Kotler, 2010, pp. 4–34). Similarly, the latest available technology impact is highlighted by Hadiansyah on his blog, mentioning collaboration and co-creation through personalized dialogue with the customer and multi-dimensional segmentation based on rational, emotional and behavioral factors (Table 2). Thus arises the question, whether marketing 3.0 is a target solution, or only a transitory one. Although the proposed idea, based on values, and not even fully utilizing the benefits of Web 3.0, offers a kind of "flexible safety margin" for the concept development, an anticipatory approach appears to be an appropriate solution. Therefore, the critical polemics on further embodiment of the vision proposed in the marketing 4.0 form is worth being undertaken (Table 3).

The orientation name „localized virtual marketing" is proposed based on emerging Internet statements concerning marketing 4.0 (Marketing 4.0, 2013; Qué sera…, 2011), referring to the probable solutions, today proposed within the concept of web 4.0. Tangibility of virtual marketing relies on the implementation of a set of measures proposed within the Internet revolution and bringing them to a specific, real and physical form. It is about enabling customers to become actual co-creators of product. Furthermore, they are not only subjected to debate the existing solutions, offered by the company, but even become their originators, which leads to their self-realization. In this way, an even greater emphasis would be put on co-creation and co-operation in terms of many-to-many and crowdsourcing, all this underlines the growing role of communication.

Table 2. The Paradigm Shift: From the Concept of Marketing 1.0 to Marketing 3.0

	MARKETING 1.0 (product-centric)	MARKETING 2.0 (customer-oriented)	MARKETING 3.0 (value-driven)
Type of action	"Push" attitude	"Push and pull" approach	Collaboration and co-creation through personalized dialogue
Customer needs	Descriptive analysis "what they did"	Explanatory analysis "why they did"	Predictive analysis "what will they do";
Knowledge about consumer	Ad hoc data collection	Systematic data collection	Continuous, automated and integrated data collection with consecutive; ROI assessment;
Brand control and products focal points	One dimensional segmentation based on product needs or previous purchases	Two-dimensional segmentation based on needs and value	Multi-dimensional segmentation based on rational, emotional and behavioral factors
Emrgence of new channels	Brand value proposition harmonization across traditional channels	Capability integration across increasing number of channels	Experiences optimization across selected channels
Attitude change	Increase customer expenses	Improve cost to sell ratio (CPM)	Increase customer net value

Source: own elaboration, based on Hadiansyah.

Table 3. The Evolution of Marketing Till the Marketing 4.0 Concept

	MARKETING 1.0 (product-centric)	MARKETING 2.0 (customer-oriented)	MARKETING 3.0 (value-driven)	MARKETING 4.0 (localized virtual marketing)
Objecive	sell products	satisfy and retain customers	make the world a better place	today create the future
Enabling forces	industrial revolution	information technology	New wave technology	cybernetic revolution and web 4.0
The market seen by companies	mass buyers with physical needs	smarter consumer with mind and heart	whole human with mind, heart and spirit values	collective of fully conscious buyers, co-creating products
Key marketing concept	product development	differentiation		mass customization, JiT
Company marketing guidelines	product specification	corporate and product positioning	corporate, vision and values	values, vision, anticipation
Value propositions	functional	functional and emotional	functional, emotional and spiritual	functional, emotional-spiritual self-creative
Interaction with customers	One-to-Many transaction	One-to-One relation	Many-to-Many cooperation	Many-to-Many co-creation and cooperation

Source: own elaboration, based on Kotler, Kartajaya, & Setiawa (2010, p.6).

It is worth noting that deriving from the "wisdom of the crowd" through crowdsourcing, here assigned to the concept of marketing 4.0, originates from activities based on Web 2.0 and socialization of communication on the axe of customer-company. This increasingly important concept concerning business and product management is much more than just a basis for simple offer building. More and more companies from different industries already rely on solutions proposed by consumers. As Lindegaard (2012) rightly points out companies nowadays are learning that they must embrace this paradigm shift of innovation in order to keep up with the competition and those that are lagging behind, will find themselves in big trouble in the coming years. Hence, this concept is not only a theoretical idea, which is planned to operate in the market along with the idea of marketing 4.0, but a growing number of examples of its implementation in practice can already be noticed. Furthermore, attempts to systematize these applications are even made, such as a list of projects implemented with the use of this method (*List of...*). Among the companies using these solutions are for example inter alia, Coca-Cola with their "Shaping a better future" project, addressed to the entrepreneurs in order to create improvement-ventures for project-hubs concerning youth employment, education, environment and health. It is also worth mentioning the actions of Anheuser-Busch (the owner of the Budweiser brand) in order to introduce a craft-beer Black Crown, combined a competition between company-brewmasters with consumer suggestions and their tastings. In this undertaking more than 25,000 consumer-collaborators took part (Innocentive, 2013; Lindegaard, 2012). As a flagship use of crowdsourcing a solution by LEGO Cuusoo can be considered under which Internet users (so-called supporters) proposed solutions for new models built from the available blocks (Schoultz). After toy creation and its description as a project proposition on the site, one must collect 10,000 votes in favor and then pass a specialist's verification. If the project is positively evaluated, such a supporter will be rewarded with 1% of net sales of this product. It should be noted, however, that many crowdsourcing projects, as a process of bringing external input into an innovation process, require lots of work that is often not visible to the public.

Even though the possibility of such activities and their immediate realization could be the answer to a perfect offer matching the needs of target markets, providing products exactly at the time when demand occurs and, thanks to the economy of scale, the true mass customization so far appears rather unrealistic. But just imagine a 3D printer, that could generate accordingly an appropriate model/algorithm e-purchased product of any size, previously designed together by company and its final users. An exact offer matching the needs of the buyer, delivered into the hands of customers just-in-time and just-in-place, 24 hours a day, 7 days a week.

And although such a proposal could be considered as a complete fiction, it is enough to recall the words of DiNucci (1999) „ The Web we know now, is only an embryo of the Web 2.0 to come". Already then she has shown that the solution was not only restricted to static content, but would be „a transport mechanism, the ether through which interactivity happens. It will appear on your computer screen, TV set, car dashboard, cell phone, hand-held game machines, maybe even your microwave oven" (p.32). Thus, fourteen years ago she somehow anticipated the implementation of "technology of tomorrow", creating in 1999 the term "Web 2.0".

CONCLUSIONS

A multitude of theoretical solutions is not always reflected in their practical implementation. Far works advancement on Web 2.0 and entrance to the era of Web 3.0 has led to the need for change in the marketing concept. Moreover, even for the latter the 3.0 solutions do not seem to become target and definitive ones, therefore, an attempt to define the direction of Marketing 4.0 was undertaken. The main emphasis of these activities should be placed on the increasing role of customer communication. It is no longer a one-way transmission from the sender to the receiver. Web 2.0 solutions meant that internauts (and of course customers) could easily become authors of Internet content. Broken thereby was a rigid paradigm of a message to its sender and receiver. Nowadays clients are no longer only mass buyers with physical needs. They are rather fully formed human beings with, as proposed by Ph. Kotler, "mind, heart and spirit". However, each day brings new technological solutions, therefore when thinking about specific concepts we shall no longer profit in the development of its flexibility margin, but rather anticipate it. Therefore, the most important aspect in marketing 4.0 seems the collective of fully conscious buyers, co-creating products as well as many-to-many dialogue and cooperation. This is all however, in order not to remain an academic fantasy only, but to become realistic and implemented in the everyday business life, so companies have to re-evaluate the role and manner of communication in their customer approach.

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PRZEWARTOŚCIOWANIE KOMUNIKACJI W PODEJŚCIU DO KLIENTA – W KIERUNKU MARKETINGU 4.0

Abstrakt

Turbulentność otoczenia wymaga od przedsiębiorstw ciągłej elastyczności i nieustannego poszukiwania nowych metod konkurowania. Obecnie połączone idee crowdsourcingu i social media służą za bazę współtworzenia i ulepszania oferty biznesowej. Jednocześnie obrazując ewolucję Internetu – od podejścia the read –only Web w kierunku Web 3.0 i Meta Web służą jako remedium na bolączki współczesnych managerów, co jednak nierozerwalnie łączy się z pewnymi kosztami.

Tło badań. Owa możliwość współtworzenia wymaga bowiem daleko idących zmian i przewartościowania w podejściu do klientów.

Cele badań. Obecnie kooperacja, interakcja i dialog z grupą docelową jawią się ważniejszymi, niż prosta orientacja klientocentryczna. Zmiany tego typu wymagają całkowitej reorientacji w marketingowym zarządzaniu przedsiębiorstwem. Podjęto próbę zdefiniowania kierunku rozwoju dla marketingu 4.0.

Metodyka. Przedstawiona argumentacja opiera się na analizie literatury przedmiotu, źródeł internetowych oraz syntezie.

Kluczowe wnioski. W marketingu 4.0. najważniejszymi elementami są kolektyw w pełni świadomych odbiorców, współtworzenie i kooperacja przy tworzeniu produktów oraz tworzenie indywidualnych więzi w relacji many-to many.

Słowa kluczowe: komunikacja marketingowa, marketing 3.0, marketing 4.0