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The Evolution of Marketing 1.0 to Marketing 5.0

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ABSTRACT

Purpose: The previous research papers focus on the phases of marketing separately, and some focus on the first four segments only. The paper aims to analyse the evolution of Marketing 1.0 to Marketing 5.0. This paper will focus on the quintessential characteristics of each stage and understand how the advancement took place and the main factors responsible for the growth.

Research Implications: The paper first introduces the concept of marketing and analyses Philip Kotler's views on the same. It then presents multiple reviews of literature written by several authors, ranging across the decades, to provide a glimpse into the interpretation of Marketing in the past and present. The paper will then analyse all the five stages of Marketing, from Marketing 1.0 to Marketing 5.0. Finally, the paper will analyse and examine the critical differences between the phases.

Findings: This paper analyses its findings under three sub-headings. Firstly, the author analyses multiple articles that explain the history and current scenario of Marketing globally. The author highlights the contributions and limitations of the literature attained. Secondly, the researcher examines the five stages of Marketing and highlight the vital identifying factors in each. Finally, The author interprets the critical differences between each stage, which will help analyse the stages holistically.

Originality/Value: The researcher has highlighted the evolution of one of the broadest concepts and aims to analyse each stage concisely. Furthermore, the related research papers feature the growth of Marketing 1.0 to 4.0 only, as the concept of Marketing 5.0 is considerably new.

Keywords: Marketing 5.0, Evolution from Marketing 1.0 to Marketing 5.0.

I. INTRODUCTION

Marketing is defined as the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best, and it designs

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and promotes the appropriate products and services.”

Dr. Philip Kotler, Father of Modern Marketing (2017)

Marketing alludes to ventures in an organisation that attempt to advance the sale of goods or services. It integrates advertising, selling, and delivering products to customers or different businesses (Investopedia, 2021). The concentration of marketing has altered over time. Marketing progressed from a commodity focus to an institutional focus to a functional focus to a managerial focus; and finally, to a social focus (Kotler P., 1972). At its core, it aims to match a company's products and services to the needs of customers. This helps achieve the primary goal of any business: profit. Marketing is fundamentally a collaboration between marketers and consumers, which compels marketers to decide on the production of consequential commodities and expertise and then sell them at reasonable prices after consulting the profile of a market segment (Iwu C., 2009). As seen above, the definitions of marketing have evolved vastly, with each one highlighting a different aspect of this vast concept. The definition of marketing comprises seven critical components that have to be considered while taking any decision in a business. The seven main factors of Marketing are: product, price, promotion, place, packaging, positioning and people. However, as the business, the customers and the competition increase, the concept of marketing becomes more complex. Recently, marketing has been broken down into 44 factors, each one equally important (Sandeem, P. 2021). The author aims to analyse the phases of Marketing in detail and understand the vital facets of each. Furthermore, the author seeks to highlight the differences between the stages based on the interpretation of each stage. This will provide a holistic view of the development of Marketing.



Figure 1.0: The 7 P's of Marketing

Sources: (Kotler P., 2017)

Aim

The paper aims to analyse the evolution of Marketing 1.0 to Marketing 5.0. This paper will focus on the critical characteristics of each stage and understand how the advancement took place and the main factors responsible for the growth.

Research Objectives

1. Analysing the various stages of Marketing.
2. Interpreting the fundamental differences between each stage of Marketing.

Research Methodology

The study's research has used the medium of secondary research by examining and collecting data from other organisations and by studying and analysing journals, articles, research papers, and books by eminent journalists, researchers, and authors to explore the topic. The author refers to multiple Scopus Index and Google Scholar articles to gather information to provide a complete analysis of the concept.

Hypothesis

H₁: The evolution of Marketing 1.0 to Marketing 5.0 was mainly possible due the presence and exponential growth of Technology.

Research Question

1. How has Marketing evolved from Marketing 1.0 to Marketing 5.0?
2. What are the differences between the stages of Marketing?

Review of Literature

- | 3. | 4. Author | 5. Title | 6. Contributions | 7. Research Gap |
|----|-----------|----------|------------------|-----------------|
|----|-----------|----------|------------------|-----------------|

8. 1	Houston (1986)	The Marketing Concept: What It Is and What It Is Not	The article is an examination of the concept of marketing and a review of both new and previously expressed questions about it. The paper also highlighted some of the important concepts in marketing: Production, Sales, Offering and Buying.	The illustrations given in the paper merely provide a glimpse and are designed to elucidate general conditions, rather than to display the degree to which such instances exist around us.
9. 2	Erragcha et al.	New Faces of	10. This paper	11. The paper

(2014)	Marketing In The Era of The Web: From Marketing 1.0 To Marketing 3.0	analyses the modifications of marketing techniques to keep with the rapid growth of the Internet and it further highlights the changes that occurred from Marketing 1.0 to Marketing 3.0	only examines the effect of “Web 3.0” on one stage of marketing and does not consider its effect on the other stages. Moreover, it explains the meaning of Marketing 1.0 and Marketing 2.0 without highlighting the flow of one to the next.
12. 3 Başyazicioğlu et al. (2018)	Marketing 4.0: Impacts Of Technological Developments On Marketing Activities	This survey analytically attempts to reveal the changes in marketing activities based on technological developments and to explain the distinguishing features of all the marketing stages. So, it first studies the changes in marketing activities by analysing the changes in	The paper presents a considerable gap in the research which can be filled with intensive empirical research which can be the focus of further research.

			the industry, markets and the consumers.	
13. 4	14. Cousillas (2018)	15. Evolution of Marketing 1.0 to 4.0	16. In this paper, the author conducts an analysis of the evolution of marketing (1.0 to 4.0). The paper sets out to highlight the areas of research that have the greatest scientific production rate. It conducts the analysis with the help of a set of specific objectives and focuses on the progress of the concept from 2014 to 2018.	17. The paper only utilises quantitative methods to analyse the difference between the stages. So, it fails to take into consideration qualitative factors like satisfaction of consumers, employee morale, etc.
18. 5	Alin (2020)	The Impact of Industrial Revolution to Marketing	The investigation tries to uncover the variations in displaying applications dependent on innovative progress and to simplify the unambiguous highlights of each marketing stages. Furthermore, the relationship between industrial and marketing	19. The paper focuses only on the progress of Marketing from one phase to the next on the basis of the technological development

		has been addressed in a comprehensive manner.	that takes place. Thus, it fails to consider any other aspect involved in the process.
20. 6	Madsen et al. (2021) An Exploratory Bibliometric Analysis of the Birth and Emergence of Industry 5.0	21. The study offers a factfinding analysis of emerging literature on Industry 5.0 as a whole and maps the topic to help present an initial view of the emergence of this field. It also provides some speculations about the progression of Industry 5.0 in the future.	22. The only limitation of this paper is it has analysed Industry 5.0 as a whole concept and thus, it does not provide a niche perspective to the whole subject, only providing general conclusions. The cross-sectional nature of the article provides a static model instead of a dynamic one.
23. 7	Wongmonta Marketing 5.0: The	24. The paper analyses	25. The paper

(2021)	Era of Technology for Humanity with a Collaboration of Humans and Machines	Marketing 5.0 as a complete ecosystem by dissecting and analysing each component of the phase in detail. It analyses both, the conceptual model of the stage as well as the strategic model that can be implemented.	considers Marketing 5.0 as a complete separate topic and distances it with the previous stages which diminishes the lens through which it should be perceived.
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II. FINDINGS

Marketing 1.0

Marketing 1.0 was a concept that first emerged in the 1930s. Marketing 1.0, the first stage of marketing, consists of several models: production, product, selling, and marketing (Alin, L., 2019). The main objective of this stage was to sell products (Kotler P., 2010). It is the most basic, fundamental phase of marketing, where the main focus relies on the product and its features. The Industrial Revolution proved the perfect catalyst for the expansion of Marketing 1.0 (Jara A., 2012). It provided a situation where there was a boom in the needs of the consumers, and thus there was a drastic increase in both the demand for the products and the competition among the businesses. This provided a need for Marketing. The Marketing relied on emphasising and focusing on the Unique Selling Proposition to distinguish one product from its competitors. They focused on the functional aspect of the products to sell the products to customers, as their core focus was to address the immediate needs of the customers without considering the aesthetic value. Its distribution was by traditional channels such as television and radio. It should be cited that its message was unidirectional because it does not provide feedback to the client, and the elements of measurement are very few and variable (Fuciu, M.

& Dumitrescu, L., 2018). Marketing 1.0 comprised two stages (Hansen G., 2021):

- a. Post World War Two (1950's): Marketing was focused on the product life cycle. Tools like Brand Image, Marketing Segmentation were prominently used during this stage.
- b. Growing (1960's): Marketing began to mature, and it led to the development of the Four P's of Marketing: Price, Product, Promotion and Place. This facilitated more effective segmentation and targeting.

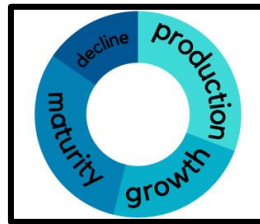


Figure 2.0: The Product Life Cycle

Sources: (Levitt T., 1965)

In this phase, buyers were passive; however, the corporations identified the importance of consumers; businesses realised that quality and uniqueness were not enough for selling goods and increasing profits. Accordingly, the selling concept came into prominence, leading to Marketing 2.0 (Porter M., 1987).

Marketing 2.0

Prompt advancement in technology, liberalisation, globalisation and privatisation led to a modification in the social and business life. The economic conditions and the demand for the goods in the market enhanced the buyer power (Tarabasz A., 2013). The combination of Web 2.0 technology with the marketing practice resulted in the commencement of Marketing 2.0. Marketing 2.0 is defined as the utilisation of Web 2.0 and the collaborative resources it offers to open interactive communication channels between the consumers and businesses (Aldaheri, A. A. & Bach, C. B., 2013). Marketing 2.0 introduced a new model of Information System which linked the customers to the businesses in a much more effective manner. It starts with the customer and introduces the “Web 2.0 Tools”. Web 2.0 Tools like WordPress, Facebook, YouTube, Wikipedia, etc. (Gulley J. & Thomas J., 2015). All the information collected through the different instruments of Web 2.0, the businesses collect and systematically organise the data. The following steps are to be followed while collecting data: Information Gathering, Database, Pre-Processing, Processing, Classification and Useful Information Extraction (Consoli D. & Musso F., 2014).

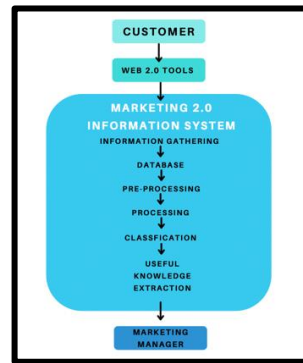


Figure 3.0: Modular structure of Marketing 2.0 Information System

Sources: (Consoli D. & Musso F., 2014)

After the information goes through all the stages, it reaches the marketing manager, where it is utilised for developing strategies based on the consumer based on the demographic and the current trends in the market. Web 2.0 also helps in identifying and satisfying the needs of the consumers, highlighting their feelings and has the remarkable capacity to evaluate different products or services. This is why Marketing 2.0 interacts with both the traditional media and the interactive media that promote the participation of society and obtain constant feedback. Due to this, this stage is focused on the 4 C's of Communication (clarity, coherence, control and credibility) instead of the four P's. At the end of the Marketing 2.0 stage, the focus was slowly shifting to the emotional benefits of a product and treating the consumer as a human who has a mind and emotions that can impact sales.

Marketing 3.0

Marketing 3.0 is known as value-driven marketing applications (Kotler P., 2010). The rapid appearance of Marketing 3.0 originated from the development of “new wave technology” and the employment of computers and the internet. The amalgamation of this change in technology and the shift of the focus from the customers to the emotional needs and wants of the customers helped increase and advance Marketing to unprecedented heights (Warrink D., 2018). It focuses on the type of technology that interacts with individuals and groups. For Marketing 1.0, the catalyst was the Industrial Revolution; in this case, the catalyst for Marketing 3.0 was the rapid globalisation process, the concept of co-existence of humans and technology and the emergence of a creative society. The idea of globalisation is directly linked to technology as globalisation involves the exchange of goods and services, technology, and flows of investment, people, and information (PIIE, 2021). It introduces a new perspective that aims to change the lives of the customers. This change is made possible by formulating a mission statement that contains a moving story at the execution stage and influences consumers (Varey,

McKie, 2010). Marketing 3.0 comprises two main steps (Kot S., 2018):

a. Planning Phase

- i. Consumer: recognition of mission priority over financial results, change in consumers' perception, attitudes, behaviours
- ii. Business: defining corporate values, creating platforms where employees can make a change

b. Implementation Phase

- i) Consumer: using the discussion as a new type of advertising, communicating brand personality based on values
- ii) Business: demonstrating values through daily behaviours within the company, focusing on aligning values with behaviours

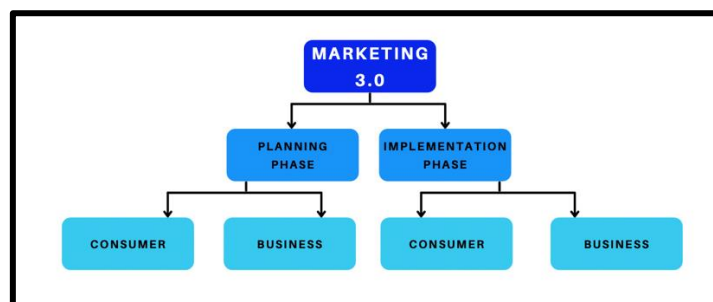


Figure 4.0: Parties responsible for the implementation of Marketing 3.0

Sources: (Kot. S., 2018)

Marketing 4.0

Marketing 4.0 can be explained as the “marketing approach that combines the online and offline interaction between companies and consumers” (Kotler, P., 2017). At the same time, it can also be explained as the approach that merges artificial intelligence with other technologies to increase productivity and increase human-to-human connectivity, thus improving the customer interaction process (Fuciu, M., & Dumitrescu, L., 2018). It has led to an increase in the outcome of different changes sourced from an extreme worldwide challenge, other kinds of purchasers and quick advancements in innovations (Vassileva, 2017). In Marketing 4.0, the typical day-to-day customer is said to follow a fixed customer path which is as follows:

a. Aware

- i. Customer Behaviour: Learn about the brand from others or are exposed to the advertisements.

- b. Appeal:
 - i. Customer Behaviour: Become attracted to the brand and develop a set of prospective brands to purchase from.
- c. Ask:
 - i. Customer Behaviour: Search about the product online and compare prices, features, etc.
- d. Act:
 - i. Customer Behaviour: Buy online or in-store and proceed to use the product for the first time.
- e. Advocate:
 - i. Customer Behaviour: Recommend the brand to others and keep using it themselves.

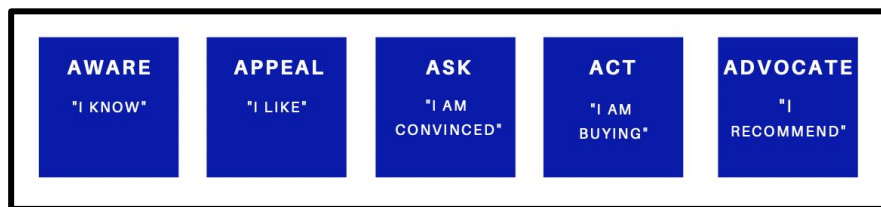


Figure 5.0: Customer Path Stages

Sources: (Kotler P., 2018)

Customers now have the resources and means to evaluate and scrutinise any company's brand-positioning promise, corporate social responsibilities, and core values in the digital economy. Due to this transparency, brands can no longer make false, unverifiable promises. This proves as a valuable instrument for the public. The development of technology has led to the introduction of artificial intelligence, which has led to Marketing 5.0.

Marketing 5.0

Marketing 5.0 will require us to analyse Marketing 4.0 and then wholly revolve from segmentation and personalisation to create a new marketing platform that is personal. In the Age of the Covid-19 pandemic, where distancing and masking is the basic regime, marketers have had to develop new ways of interacting with customers to keep their business and capture new clients and customers by maintaining that personal connection (Foreman B., 2020). Marketing 5.0 is a complex model with several facets that must work together to ensure consumer satisfaction and profit. Information procured by AI and other technological channels (Data-Driven Marketing) is inputted into the three different types of marketing techniques that are prominent now: Predictive, Augmented and Contextual. This gives rise to "Agile

Marketing”. The framework works in harmony while ensuring it complies with societal norms and guidelines and is sustainable.

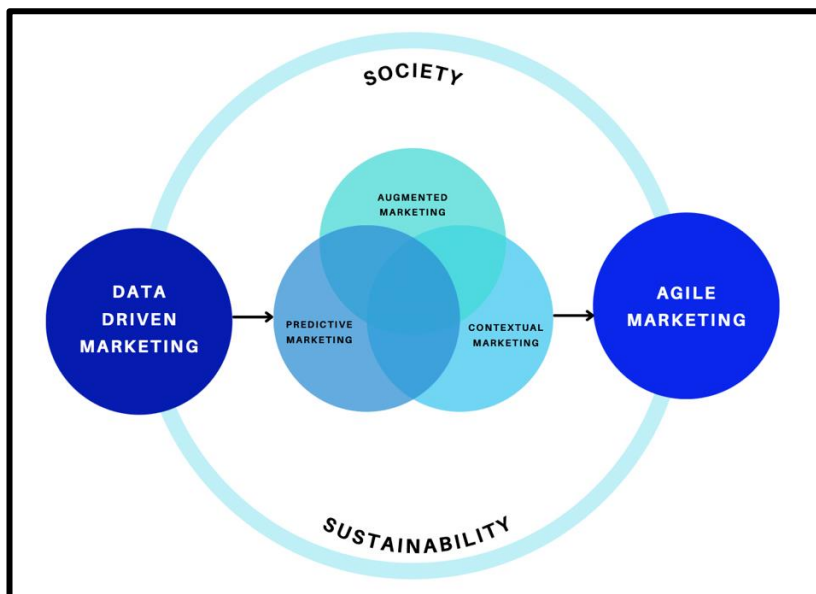


Figure 6.0: Three Important Factors of Marketing 5.0: Technology, Sustainability and Society

Sources: (Kotler S., 2018)

Marketing 5.0 has to deal with the consequences of the aggressive and unchecked growth over decades, leading to negative environmental impact and rising inequality. So, companies cannot thrive and survive if they ignore the external consequences of their actions. Due to this, one of the core purposes of Marketing 5.0 is to use and apply Artificial Intelligence to prevent and correct the pollution and environmental damage that has occurred over the years. AI also has formed an integral part of the advertising process. Multiple makeup brands, accessory brands, etc., have been using the tool to help ease the apprehensions of the consumer and boost online sales. Marketing 5.0 has enormous potential to improve online sales and consumer satisfaction and reduce the carbon footprint of the brands.

The distinction between the five stages of Marketing

Area of Distinction	Marketing 1.0	Marketing 2.0	Marketing 3.0	Marketing 4.0	Marketing 5.0
Initiation Year	1950	1970	1990	2010	2020
Era	Commodity	Of customer	Of value	Of combining	Of

		focus		offline and online	dominance of the digital environment
Concentration	Product-oriented	Consumer-oriented	Marketing-oriented towards people	Human-centred marketing focused on the consumers' experience	Humanity that uses artificial intelligence
Aim	Sale of products	Satisfaction and customer retention	Making the world a better place	Inspiring the client to personalise their experience	Increase human connection with the help of artificial intelligence
Forces enabling the emergence of a concept	Industrial Revolution	Information Technology	A New Wave of Technologies	Cybernetic revolution and Web 4.0	Introduction of artificial technology
Communication	Unidirectional	Bidirectional	Multidirectional	Omnidirectional	Omnidirectional
Value Proposition	Functional	Functional and emotional	Functional, emotional and spiritual	Functional, emotional, spiritual and self-creative	Functional, emotional, spiritual, self-creative and interpersonal

III. DISCUSSION

The authors have explained each era: Marketing 1.0, Marketing 2.0, Marketing 3.0 and Marketing 4.0 in detail concerning sales, production and other computable measures. This gives a calculated perspective that helps us analyse the concepts from a methodical view. Some papers have also explored the evolution of Marketing 1.0 to Marketing 4.0, keeping in mind the history, the origin, the features and the uniqueness of each segment. The previous

researchers have also highlighted the growth of Marketing 5.0 and given their predictions on the future of this concept.

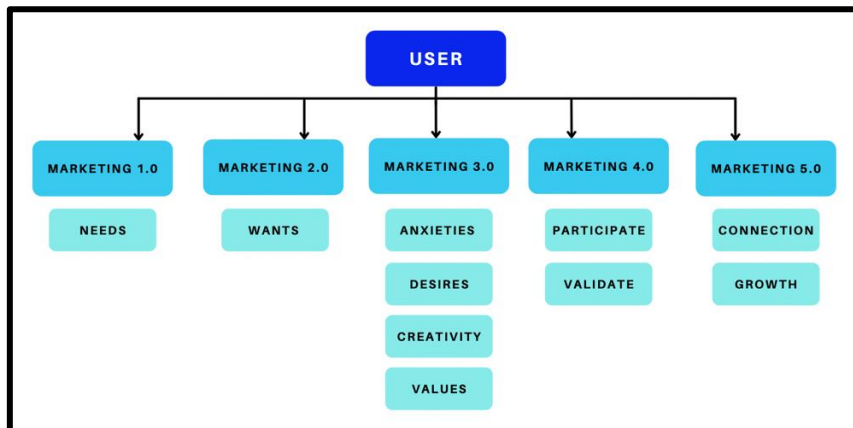


Figure 7.0: The requirements of the users in each stage

The author of this paper has studied several research papers and analysed each stage of Marketing while highlighting the key features of that stage. After compiling several characteristics from various papers, the author of this paper has been able to list the requirements of the users (consumers) in each stage. The author of this paper was also able to establish a timeline of the steps of Marketing.

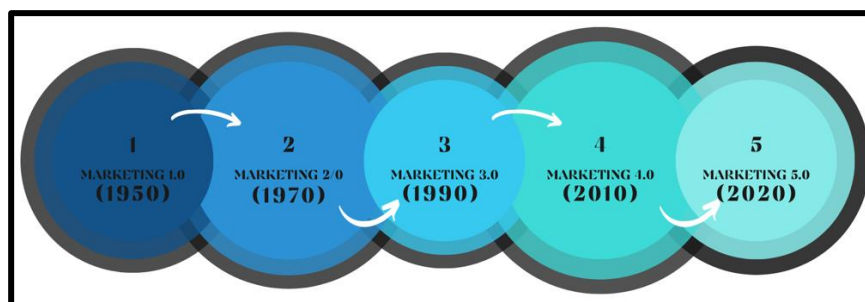


Figure 8.0: Timeline of the stages of Marketing

Sources: (Sima E., 2021)

The author has given and enumerated the evolution process of Marketing from 1.0 to 5.0, something that the previous researchers have not done. Moreover, the author has also inferred the points of comparison between each stage from the information collected and analysed.

IV. LIMITATIONS OF THE STUDY

The research is based only on secondary data from books, journals, newspaper articles, websites, college and workplace guidelines and instructional manuals, limiting the study. No primary research was utilised, which also limits the findings of this research paper. Further, the paper only highlights and analyses the stages of Marketing without taking into consideration

any external factor and thus does not provide a holistic view of the topic.

V. CONCLUSION

H₁, which states that “technology has played a significant role in the evolution of Marketing 1.0 to Marketing 5.0”, has been proved correct. It is apparent that the stimulus responsible for the growth of each stage helps in the advancement of technology. Marketing is a concept that is very extensive and comprehensive. It is one that is constantly changing with each new trend in the consumer market. So, it is imperative to study this concept as dynamic and one that can change constantly. The era of Marketing 5.0 is currently ongoing, and it promises environmental protection and increased consumer satisfaction. Though marketing is an extensive concept, its root remains in its two main goals: consumer satisfaction and profit.

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