

## MARKETING 4.0: A DIGITAL TRANSFORMATION IN PHARMACEUTICAL INDUSTRY TO REACH CUSTOMER BRAND EXPERIENCE

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### ABSTRACT

Nowadays, pharmaceutical industry improve various strategies in facing international market by improving the quality and capability of the industry to fulfill the customer needs. A new strategy of marketing approaches to reach customer brand experience is marketing 4.0. Marketing 4.0 is a new generation that changed the economic activities by digital transformation. Terms of marketing 4.0 is a marketing evolution of marketing 3.0 focused not only on internet and social media, but also can be used to design marketing strategies that enhance the brand-consumer relationships. It differs in terms of timing, talent management, data and analytics, degree of centralization and marketing organization models. The system must consist of brand identity, brand image, brand integrity and brand interaction in order to fulfil the market required and meet the customer needs. The growing technological trend is forcing pharmaceutical industry to innovate in marketing and sales. With this modern method, pharmaceutical industry will enhance the brand new image for health product in pharmacy.

**Keywords:** Pharmaceutical industry, marketing 4.0, digital transformation, customer experience.

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### Introduction

The pharmaceutical industry in Indonesia has now undergone significant changes. This is due to the increasingly tight competition in the field of pharmaceutical industry that requires every pharmaceutical industry to make changes in order to survive. The Government implements various strategies to improve the quality and capability of the pharmaceutical industry in facing international market by implementing c-GMP according to international standard.

Marketing 4.0 is a new system that includes approaches, methods, tools and practices in marketing (Jara *et al.*, 2012). In practice, the system encourages a renewal of humanitarian orientation in the

digital age, the marketing approach combines the interaction between online and offline systems, while also integrating between style and substance. The industry not only puts forward the brand but also the content that is relevant to the customer (Vassileva, 2017).

The increase of information through the use of technology is affecting the pharmaceutical industry to change the company's marketing system to create effective and efficient methods in a knowledge-rich environment (Knorr and Preda, 2005).

The pharmaceutical industry in the digital age must be positioned to follow the changes in the field of product marketing. e-Store as a real

example of Marketing 4.0 shows the differences with previous marketing systems that only focus on products and customers (Knorr and Preda, 2005).

In the digital transformation, the pharmaceutical industry faces challenges in the form of digital disturbances, including the increasing urbanization that will change the market center, the rapid technological innovation affecting the life cycle and the company's products, forcing the company to make faster decisions that result in the workforce facing the pressures of time, the extent to which trade and capital flows and information make the world connected (Andrew *et al.*, 2009; Van Bommel *et al.*, 2014).

Marketing 4.0's ability can lead the system to be more superior in keeping up with the increasing market turmoil. Customers are placed in a new digital era, thus fueling customer interactions with products (Dholakia *et al.*, 2010). This article aims to improve strategies in Pharmaceutical Industry with Marketing 4.0 method.

## **Marketing Evolution From 1.0 To 4.0**

### **Marketing 1.0**

A The first method of marketing is named as marketing 1.0, product-centric approach. This marketing is basically focused on selling products without considering the needs and wants from the target market and persuade to increase sale (Jara *et al.*, 2012). It is the economics of supply as product availability ensures its sale. In this marketing product was the hearth of marketing. Communication in this method is unidirectional through traditional

channels (mail, TV, and radio ads) (Erragcha *et al.*, 2014).

### **Marketing 2.0**

The second method of marketing is marketing 2.0, costumer-centric area. This marketing method is changed radically since the offer increased and customer were able to choose the available offer. With this method, customer can defined the product value. Marketing 2.0 is featured by the exhaustive search and research about the needs and wants from the costumer to discover new target markets<sup>[1]</sup>. Marketing 2.0 has to move away from “transactional marketing” to a new approach that could be characterized as “marketing facilitator” (Pelet, 2011).

### **Marketing 3.0**

Marketing 3.0 or the human-centric area is more awareness about social and humanistic where the consumers are treated as human beings (Kotler *et al.*, 2010). Emergence of marketing 3.0 is favoured by deep changes in consumer behavior that needs the combined intervention of collaborative, cultural, and spiritual marketing (Kotler *et al.*, 2012). In the marketing 3.0 era, consumers have changed. They become more sensitive to the concerns of society. Companies should focus primarily on improving its core business and making it coherent with the values sought by the community (Erragcha *et al.*, 2014).

### **Marketing 4.0 (Brand Integrity, Identity, Image, Interaction)**

In the age of digital transformation, marketing 4.0 is a new generation of

marketing approaches. Economic activities have changed because of globalization in technology transformation. The global trend transforms the model of information (data and communication) flows.

Digital Quotient (DQ) score is developed by McKinsey Quarterly and it is used as a metric for the digital maturity of the companies. Three classes of companies are identified by McKinsey: Established leaders, emerging leaders, and followers (Catlin *et al.*, 2015).



Figure 1. Scheme of Marketing 4.0

Marketing 4.0 consists of brand identity, brand image, brand integrity and brand interaction (Figure 1). Brand identity is about positioning your brand in the minds of the consumer. The positioning should be unique for your marketplace. Brand image is about acquiring the consumer's mind share. The brand should appeal to consumer's emotional needs and wants beyond product of pharmaceutical industry. Brand integrity is about fulfilling what is claimed through the positioning and brand value through solid differentiation. And the new dimension is Brand interaction. Brand Interaction is taking the enterprises values from the brand over the customers, and making

more awareness to the customer about the impact of the values-driven actions in the world (Jara *et al.*, 2012).

Marketing 4.0 is the marketing of big data (Jimenez *et al.*, 2017). Marketing 4.0, from human-centric to content marketing, helps companies to adapt to the changing nature of customer paths in the digital economy (Kotler *et al.*, 2017). Terms of marketing 4.0 is a marketing evolution of marketing 3.0 focused not only on internet and social media, but also can be used to design marketing strategies that enhance the brand-consumer relationships.

Marketing 4.0 appears as a result of the complex changes provoked by turbulent markets, aggressive global competition, demanding customers, rapid emergence of new technologies, and disruptive innovation (Andrew *et al.*, 2009). Digitalization transforms the purchase decision making process, include the way customers search for information, consider and evaluate products and services, interact with the organization, and make purchases. This new generation is required, since customers are not only looking for products to satisfy their

basic needs, wants, desires, and concerns. They also need to satisfy their creativity and values (Andrew *et al.*, 2009).

Marketing 4.0 also integrates style and substance. That is, the brand not only puts forward a good branding, but is supported by good content and relevant to up-to-date packaging (Van Bommel *et al.*, 2014). Marketing 4.0 also develops machine-to-machine and artificial

intelligence connectivity in the process of boosting productivity (Luggen, 2004). This process must be balanced with human-to-human connectivity that will strengthen customer engagement. In essence, technology development does not stop at the technology itself, but how this technology helps the brand in humanizing relationships with its customers (Vassileva, 2017).

It needs to be embedded that in Marketing 4.0, digital marketing does not replace traditional marketing. Instead, they are present alongside coexist alias in the present era. Both are filling each other's roles, especially in the customer path. In the customer path is known the principle of 5A (Aware, Appeal, Ask, Act, and Advocate), where traditional marketing and digital marketing can come together. It could be that, for example, people are aware of a product through traditional advertising on television. Then, he then asks online in social media, then he buys, and because he is satisfied he then recommends the product to his community, both in social media and offline community. Finally, in essence, Marketing 4.0 is a marketing approach that combines online and offline interactions whose primary purpose is to win consumer advocacy (Dholakia *et al.*, 2010).

Marketing 4.0 differs in terms of

timing, talent management, data and analytics, degree of centralization and marketing organization models (Figure 2). Keys characteristic of Marketing 4.0 are Timing : 1)Speeding up Marketing activities, Continuous Adaption, Serum approach to plan and implement marketing activities, 2)Talent Management : Qualified Analysis, Data Expert, Costumer Experience Officer, Data Story Teller and Scientist, Multi-channel Campaign Manager, 3)Data and Analytics : Data Management, Advanced Analytics, Consumer Insights, 4) Marketing Organization Model : Degree of Centralisation focus on products, segments, channels, geography, function. There's a step approach to developing a new way modern business in pharmaceutical industry to reach customer brand experience. First, set the strategic that fit with the digital transformation. Second, analyze the market pathways to understand customer environment. Third, ideate the pharmaceutical online store in developing business models. Fourth, Developing strategic partnerships with online transportation to reach customer experience in getting pharmaceutical brand. With this step, pharmaceutical industry in Indonesia can transform the conventional to digital model in modern.

Timing	Talent Management	Data and Analytics	Marketing Organisation Models
Speeding up marketing activities	Qualified analysis	Data Management	Degree of Centralisation focus: products, segments, channels, geography, function
Continuous adaption	Data experts	Advanced analytics	
Serum approach to plan and implement marketing activities	Costumer experience officer	Consumer insights	
	Data storyteller and scientists		
	Multi-channel Campaign Manager		

**Figure 2.** Key characteristics of Marketing 4.0

## Conclusion

Marketing 4.0 is modern method that can increasing aggressive campaign and a variety of innovations with a focus of sales and awareness. The digital transformation will make a new experience for customer when consuming a brand. Approach in pharmaceutical industry will enhance the brand new image for health product in pharmacy. So, the systmen is able to deliver the pharmaceutical industries to improve their sales and product marketing.

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