The Future of Marketing

Philip Kotler, Ph.D
Kellogg School of Management
Northwestern University

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AMA Sheth Doctoral Consortium
Kellogg School of Management
Northwestern University
Trained as an Economist

- 1950-53 Milton Friedman, University of Chicago
- 1953-56 Paul Samuelson and Robert Solow, MIT
The Ford Foundation Program, 1960
Opens My Eyes to Marketing

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• Frank Bass, Robert Buzzell, William Lazer (photo of Ed Pessemier not available)
Problems with Economic Theory

• *Classical economics* focuses on price and assumes rational maximizing behavior on the part of consumers, middlemen, and producers.

• *Behavioral economics* recognizes economic irrationality. *Behavioral economics* is another word for *Marketing*! For 100 years marketers have been enriching economic theory without gaining any recognition from economists.
The Broadening of Marketing

- Commercial marketing
- Place marketing
- Person marketing
- Social marketing
- Political marketing
Marketing for Nonprofit Organizations

Professor Alan Andreasen, Georgetown
Corporate Social Responsibility

CORPORATE SOCIAL RESPONSIBILITY
Doing the Most Good for Your Company and Your Cause
Best practices from Hewlett-Packard, Ben & Jerry's, and other leading companies

PHILIP KOTLER
S. C. Johnson Distinguished Professor of Business and Marketing
Kellogg School of Management
NANCY LEE

GOOD WORKS!
MARKETING AND CORPORATE INITIATIVES THAT BUILD A BETTER WORLD... AND THE BOTTOM LINE

PHILIP KOTLER
DAVID HESSEKIHL
& NANCY R. LEE

UP AND OUT OF POVERTY
The Social Marketing Solution
A Toolkit for Public Policies, Entrepreneurs, NGOs, Companies, and Government

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Marketing in the PUBLIC SECTOR
A ROADMAP TO IMPROVED PERFORMANCE

Philip Kotler & Nancy Lee
# Values-Based Matrix (VBM) Model

**Mission (Why)**
- Deliver SATISFACTION
- Realize ASPIRATION
- Practise COMPASSION

**Vision (What)**
- Profit Ability
- Return Ability
- Sustain Ability

**Values (How)**
- Be BETTER
- DIFFERENTIATE
- Make a DIFFERENCE
The Evolution of Marketing Concepts

- POSTWAR
  - The Marketing Mix
  - Product Life Cycle
  - Brand Image
  - Market Segmentation
  - The Marketing Concept
  - The Marketing Audit

- SOARING
  - The Four Ps
  - Marketing Myopia
  - Lifestyle Marketing
  - The Broadened Concept of Marketing

- TURBULENT
  - Targeting
  - Positioning
  - Strategic Marketing
  - Service Marketing
  - Social Marketing
  - Societal Marketing
  - Macro-marketing

- UNCERTAIN
  - Marketing Warfare
  - Global Marketing
  - Local Marketing
  - Mega-marketing
  - Direct Marketing
  - Customer Relationship Marketing
  - Internal Marketing

- ONE-TO-ONE
  - Emotional Marketing
  - Experiential Marketing
  - Internet and e-business Marketing
  - Sponsorship Marketing
  - Marketing Ethics

- FINancially-Driven
  - ROMI Marketing
  - Brand Equity Marketing
  - Customer Equity Marketing
  - Social Responsibility Marketing
  - Consumer Empowerment
  - Social Media Marketing
  - Tribalism
  - Authenticity Marketing
  - Co-creation Marketing
  - Crowdsourcing Marketing
New Tools

• New in Marketing Research
  – Ethnographic marketing
  – Neural scanning
  – Metaphor analysis (ZMET)

• New in Marketing Analytics
  – Predictive analytics
  – Cluster analysis
  – Marketing mix modeling
  – Big Data analysis
  – Individual profiling
Marketing’s Change in Focus

• 1940-50s Product orientation

• 1960-70s Customer orientation

• 1980-90s Branding orientation

• 2000-10s Value and values orientation

• 2010- Co-creation and crowdsourcing orientation
On Using Communications Effectively

• The new media must be blended with the old media in a mutually reinforcing way.
• Companies like P&G say that 25-35% of their budget now goes into new media. I think that it will go to 50:50.
• Companies have to get better at search engine optimization (SEO)
• Be aware that Big data requires a dramatic change in skills, leadership, organizational structures, technologies and architectures.
“This time like all times is a good one, if we but know what to do with it.”

Ralph Waldo Emerson

THANK YOU!