

# FROM LEGACY TO **NEW WAVE**

GURU TALK



by **Hermawan Kartajaya**



# E MARKETING

In Legacy Marketing, Positioning-Differentiation-Brand (PDB) are very important for companies to be able to sustain in the competitive landscape. Formulation of a clear positioning and differentiation strategy will help to define the brand identity, integrity, and image.

Therefore, in Legacy Marketing, companies must realise that a brand is more than just a name. A brand must have a positioning statement in order to have a brand identity. This positioning statement defines a promise and companies develop its positioning by communicating a marketing message (the brand promise) which is meant to create a certain perception in the customers' mind. In order for the companies to have brand integrity, it must support this promise with a solid and concrete differentiation.

Therefore in Legacy Marketing, it is common for companies to advertise their message through various advertisement media. Some companies even concoct a not-so-authentic differentiation to stand out from the crowd and support its brand image.

What results is a very vertical one-to-many approach to marketing with companies broadcasting their messages to the masses. Consequently, PDB is vertical marketing, with the brand developed by companies and is treated as the outer-shell packaging. The brand allows for a fake representation of its true value.

In the current landscape, PDB will no longer be effective because the world is highly connected, catalysed, and civilised. For that reason, I developed the triple Cs (Clarification, Codification, and Character) of the New Wave Marketing in order to substitute the PDB approach.



Thus, in New Wave Marketing, brand is treated as a real Character that defines the true value of what the brand stands for. People will be drawn towards the original brand's character rather than the package.

Furthermore, in the Codification process, the brand character is treated like a human being with a personal DNA code. Unlike differentiation, this DNA code cannot be engineered or imitated by others. Thus, companies or brands with an authentic Character should not be too concerned if another similar brand exists, as long as the companies own its DNA Code, original and genuine and in line with its brand character.

However, in order for the character to stick in customers' mind, it has to be clarified by the customers with similar traits and characters. Thus, this phase is called Clarification, a phase where customers actively strengthen the brand in their minds.

When done right this triple-C concept will bring about a more many-to-many horizontal marketing approach where companies do not bombard its positioning to customers' minds with advertisements but instead try to clarify their brand character through a multi-way conversation with customers.

So though the PDB concept is still relevant in many ways and may still be used; however, it should be revised and adapted to the current triple Cs. Furthermore, I've also updated the nine core elements of Legacy Marketing to the 12Cs of the New Wave Marketing. Let us analyse how the two concepts are different from one another.

## How to Shift From Legacy Marketing to New Wave Marketing Strategy

By shifting the Legacy Marketing to the New Wave Marketing concept, companies will be able to formulate customer, product, and brand management to be more relevant in the current condition.

### Customer Management:

#### 1. From Segmentation to Communitisation

Formerly in segmentation, companies group their customers; thus, the nature of relationship with customers is vertical. In the New Wave Marketing, companies formulate Communitisation to develop relationships. Companies are acquainted with the communities; and horizontal within the communities, the customers get to know each other. Once they become fellow members, these customers support each other.

#### 2. From Targeting to Confirmation

In Legacy Marketing, companies aim customers as target objectives by selecting the fastest growing and profitable market segments. Customers are frequently smarter and treat the communication of such companies as spam. For that reason, companies must shift to New Wave Marketing through Confirmation. Companies must ask for customers' permission and gain their approvals first. It is the customers who decide whether they want to accept and confirm the companies as part of their community.

#### 3. From Positioning to Clarification

Since the 1980s, positioning is always recognised as the battle of minds. Companies formulate specific images in order to get a certain position in customers' minds. However, with the emergence of the New Wave landscape, customers start to reject the defined positioning. Customers are able to assess and clarify the positioning promise.

### Product Management:

#### 4. From Differentiation to Codification

Differentiation is created and shaped by companies and many customers resist the differentiation because they know that it is not original. Therefore, differentiation must be authentic. Through the process of codifying, companies find its real authenticity. Companies shape and define their unique DNA codes. And afterwards, companies transparently show the differentiations and ensure that they are acknowledged by the customers.



### 5. Product to Co-Creation

In Legacy Marketing, companies hold the control of overall product decisions. Customers are expected to wait for the new product to enter the market; therefore, there are many products failed in the market because it is not as what customers want. Thus, Co-creation will be highly beneficial for companies. Through Co-creation, companies are able to obtain maximum value by involving customers in making the product platform the customers want. Afterwards, companies allow customers to customise it, making the R&D cheaper and more practical.

### 6. Price to Currency

In Legacy Marketing, price is vertically set by the companies; whereas in the New Wave Marketing, currency depends on value. Customers and companies meet and define the range of the true market value of the product.

### 7. Place to Communal Activation

In Legacy Marketing, companies develop channels and initiate flow of products and information to customers; thus, the relationship building is one way. In Communal activation, the community acts as an access, allowing company and customers to activate each other. The members voluntarily invite the companies to participate and ask for other members to take part.

### 8. Promotion to Conversation

In promotion, companies send one-way messages and treat customers as audiences, which is different from conversation. In conversation, companies do not force the customers to listen and pay attention. Instead, companies develop permission-based marketing before sending any message across to customers. It makes companies and customers to interact and develop a multi-way communication.

### 9. From Selling to Commercialisation

In selling, customers are the objects. Customers are the passive recipient of the selling persuasion and are unable to contribute much in the process. In commercialisation, the idea is to have both sides to obtain the commercial value. Companies engage the customers as active participants in transparent transaction.

## Brand Management:

### 10. From Brand to Character

Brand used to be perceived only as a name given by the companies to give a recognisable distinguishing

symbol. However, in the New Wave Marketing, brand is no longer about the packaging; instead, it is about the characterisation of the brand, embedding the soul to the brand. Characterisation is a process of developing a distinguishable charisma to attract customers with authenticity and colour.

### 11. From Service to Care

Formerly in service, customers are perceived as kings and measure the companies' success through repeat visitation. This approach is different from. In Care, companies perceive customers as equal; and instead of serving the customers, companies show their genuine concerns and efforts to the customers. The objective is to inspire their customers so that they might recommend the companies to others.

### 12. From Process to Collaboration

Process is usually developed and monitored by companies, which is in contrast to Collaboration. Collaboration is a phase where companies invite customers to play a role in the process. A clear example is from FedEx, which has the Internet tracking system in order to involve customers in the delivery monitoring process. It is used by customers to check their delivery status and actively monitor delivery progress and report.

## Conclusion

For many years, companies have been looking for ways to increase the impact of their marketing strategies while reducing the cost of its implementation. New Wave Marketing offers companies a clear pathway to do this.

In Legacy Marketing, companies perceive their relationship with customers as vertical; thus, the approach treats customers as targets. In line with this approach the nine core element model is a comprehensive tool to help companies win market share, mind share, and heart share. And only through New Wave Marketing, the objective is reached at utmost. The concept accommodates the horizontal relationships between people; companies, customers, competitors, and change agents. In each process, customers are encouraged to participate, making the process more cost efficient.

**Hermawan Kartajaya is CEO and Founder of MarkPlus, Inc and the Tri-Founder of Philip Kotler Center for Asean Marketing. Hermawan sits on the Council of Advisors of Asean Foundation and is one of 50 Gurus Who Shaped the Future of Marketing - Chartered Institute of Marketing, United Kingdom (2003). He received the Distinguished Global Leadership Award - Pan Pacific Business Association in 2009.**