eBook

Marketing 3.0 – New Issues in Marketing:

Forum For Future Marketing

FROM INTEGRATED MARKETING

COMMUNICATION TO THE

MARKETING OF SUSTAINABLE LEADERS

Marketing 3.0 – New Issues in Marketing: From Integrated Marketing Communication to the Marketing of Sustainable Leaders

Editor: Prof. Dr. Wilfried Mödinger

Group editors: Sarah Brecht, Adrian Saile, Marc Vogelsang

Authors (alphabetical): Sarah Brecht, Silja Brinsky, Michael Burkhart, Lisa Cibities, Vera Eisenbraun, Johannes Froschmeir, Nils Fröhlich, Lena Holz, Andreas Holzem, Annabell Jahnke, Inna Mayer, Katharina Michailov, Leona Ott, Miryam Reck, Adrian Saile, Veronika Tomasu, Kai Erik Trost, Marc Vogelsang, Carolin Wallborn

Lector: Nadja Korthals

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1   Introduction

Today, the world is changing at a faster pace than ever before. Not only social and political developments, but also technological changes are shaping modern human life. Twenty years ago, television was the sole defining medium of developed countries. The triumph of the Internet has not only changed the way we access information, but also the way we communicate. The age of mass communication is slowly being replaced by the age of social media. The latter is mainly defining the way people live by offering them new ways of communication. Those technological possibilities can also establish new ways for companies to communicate with customers and represent opportunities as well as risks.

It is pretty certain, that traditional ways of marketing are starting to become obsolete due to these changes in the process of communication. One of the essential means of marketing, the advertising impact, which represented the equality of investment in promotion and success in sales, is losing its importance right now. Classical media advertising, even within the new media, is depreciating compared to new forms of marketing via social media.

New ways to find a customer base and to retain it are needed. Trust in the brand or product can become one of the key elements, which can only be established by the use of adequate kinds of communication with customers and other stakeholders in the age of social media.

This paper is supposed to give insight into the opportunities to adjust basic marketing concepts. For that purpose the future social, economi-

cal and technological developments and their impact on media and business will be examined in a basic analysis, before different concepts to align marketing to these changes are introduced. Philip Kotler has verbalized one method of resolution in his concept of Marketing 3.0, which is one of the approaches, that are being critically evaluated, before using them as a base to design an own approach to adapt marketing to future changes. This basic approach should be seen as a general suggestion for the alignment of marketing and communication methods, and explicitly not as a blueprint which is usable in any economic sector. A more practice-related framework, which will incorporate the specific of different business models and economic sectors, can be developed in future semesters.

2 Analysis: How Does a Changing World Influence Marketing?

2.1 The World of Tomorrow – Looking into the Future

It is hard to predict the future or even to imagine what the world might look like in twenty or thirty years. Nevertheless, people have always tried to make assumptions or predictions and created scenarios to predict future changes in our lives. Some of those predictions have proven right, others still seem utopian. And many actual changes, like the growing importance of the Internet in the last years, have not been foreseen, which in effect led to problems for many economic sectors. The music industry for example rather reluctantly adapted to changes and tried to hold on to the system that had been working for them for many years instead of looking for new opportunities. As a result the industry is losing importance as well as revenue.

Today, the technological and social changes are coming at an even faster pace and it is getting even harder to keep track of them. Companies in many sectors have to pay very close attention to people's behaviour and needs in order to stay on top of all developments and not to lose relevance.

One of the most challenging tasks in this context is to understand the crucial importance of social media and communication. The economy is already trying to figure out how to involve the potential of social media into their marketing management and how to communicate with their customers in the best way, while the numerous opportunities of this world have not even been fully explored. However, companies

have not yet found the one right way to use social media. The following pages are meant to illustrate the role of communication and social media in a future society, to open up possibilities for companies to adapt their marketing strategies accordingly.

2.1.1 What Is the Current Role of Social Media?

There are many examples of companies that have been negatively affected by social media because they underestimated its importance and effects. In spite of this, more and more companies are cutting back on traditional kinds of advertising, e.g. direct mail, for various reasons and are moving their resources towards social media marketing, making it an increasingly relevant part of their customer communications. However, there are conflicting views and research results on the impact of social media on sales.

The recent study "The Social Habit 2011", released in May 2011 by Edison Research and Arbitron, takes a look at the influence of the Internet and New Media on business. For this study, 2,020 United States citizens were interviewed about their use of social media and digital platforms. 24 per cent of all social network users cited Facebook as an influence on their purchase decisions.[1] The study "The Purchase Path of Online Buyers", conducted during the 2010 holiday season by GSI Commerce and Forrester, shows a different result. Data captured from 15 online retailers from November 12th, 2010 until December 20th, 2010 indicates that less than two per cent of orders were the result

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[1] cf. Edison Research 2011.

of shoppers being redirected from Facebook or any other social network.[2]

These results illustrate the growing importance of social media in an economical context, but also reveal the fact, that companies have not found sufficient strategies to use those channels to generate revenue. The world of social media is still a very new place for economical communication and marketing, which is why companies need to figure out how to successfully integrate it into their marketing concept. These days, strategies in social media still seem closer to traditional marketing campaigns than to innovative ones matched to the new environment, which may be one of the reasons for the lack of success. In effect, it is inevitable to figure out a way to make this sector more usable, since the world of social media and its importance are continuing to grow rapidly.

2.1.2 What Will the World Look Like in 2050?

According to the report "Vision 2050" by the World Business Council for Sustainable Development, an estimated number of nine billion people will live on the planet forty years from now.[3] Just like many other reports and articles that deal with the future, "Vision 2050" is emphasizing the issue of sustainability and corporate social responsibility. The large number of people will make resources diminish increasingly, which is why these issues will be of high importance.

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[2] cf. Forrester 2011.
[3] cf. WBCSD 2010.

Therefore, companies have to communicate an efficient and sustainable message and need to offer products that not only stand out by their quality but also by their benefit for society and nature. The more transparent the future world gets, the more accurate will those assumptions be.

If information coming from one end of the world can reach the other end in a matter of seconds, behaving responsible and communicating this message will help deal with consumers, who are potentially much more informed than today. The goods, that people are consuming, will reflect their more sustainable lifestyle. The increasing consumption of fair trade coffee is a suitable present-day example for this development, which has to be one of the focal points of future marketing.

Social media will play an important role in the communication process, not only concerning the information coming directly from companies, but also from the customers' perspective. One company's failure will be transmitted from one part of the world to the rest of the planet immediately. Paying attention to what is talked about and responding to problems or failures in certain ways will influence the company's survival. In any case, the digital and physical world will be more connected than ever before, even if social media will not become one of the future's major shopping channels, which cannot be determined yet.

2.1.3   Key Aspects of Success in a Future World

Besides the growing importance of social media, which is changing the (economic) world around us already, there are many other contributing

factors to the future success of a business, such as transparency, individual communication or the efficient use of resources. Another key element of economical success will be information. The rising importance of global networks, social media and individual search for content will give people the power over information and offer it to them instantly. The amount of easily accessible information floating around will increase dramatically:

> "In 2010, there were 12.5 billion devices connected to the Internet. Looking to the future, Cisco IBSG predicts there will be 25 billion devices connected to the Internet by 2015, and 50 billion by 2020"[4]

This means more information to process for every single person. Especially for this reason, people will need to have access to quality information, that will have a positive influence on their lives, since they will not be able to continuously filter the bulk of information themselves. This process applies to the whole world, i.e. not just western countries, where trends like mobile phones and social media are created and first picked up, but especially in developing or newly industrialized countries, where social media become an integral part of social progress by connecting the people with each other.

A perfect example is the significance of social media in the 2009–2010 Iranian election protests and especially in a heavily controlled country like Iran; the importance of social media as a means not to be silenced is becoming apparent.

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[4] Evans 2011.

This can be applied to numerous places all over the world, e.g. the entire continent of Africa, where the mobile phone market has been growing rapidly in recent years with more than 400 million subscribers at the present day. Social media is always a part of that kind of technological advancement today, and in effect, Facebook and Twitter are today's most visited websites in many parts of Africa, having accumulated a number of more than 17 million users from this continent.[5] For the people in Africa, the use of social media equals a much stronger voice, e.g. concerning incidents regarding western companies on their continent that will be noticed in other parts of the world firstly via social media.

The economic system has to become aware of the dangers within social media, but also more importantly about the possibilities and the responsibilities for every company.

2.1.4 Conclusion

Concerning the most crucial developments that will impact marketing and especially communication, the world of tomorrow will be formed by a continuation of present events. This way, interactivity and transparency will be an integral part of the media, which influences society as well as economy. Like any prediction of the future, these are just assumptions that might or might not come true one day, but not raising these questions in a fast changing world would equals ignoring the future. The questions concerning business and the ways of communica-

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[5] cf. Essoungou 2010.

tion are becoming especially relevant in a country like China, whose rapidly growing economy has long-lasting ramifications on other fields. The next chapter will discuss this topic.

2.2 The International Dimension: Different Values in Different Cultures

China and its significant economical upturn has become the subject of a huge part of news media over the last few years. The country's positive development was regarded with envy by many western countries, e.g. because of the financial crisis in 2008 leaving China largely unscathed. Partly fueled by this envy, there is also a negative coverage about China including ecology-based-subjects like the climate protection, social problems like corruption and a lack of corporate social responsibility. But today, China is changing just like the rest of the world, and the Internet, especially the instruments of social media, have an immense influence on it.

2.2.1 The Structure of Chinese Economy

Compared to the U.S. or Europe, the Chinese management system and philosophy must be evaluated differently, because of China's economical and political history and current situation.

China's present economy has its origins in the planned economy of a socialist state, which is one of the reasons, why the change to a free market economy led to a huge economic boom. This boom is the result

of a learning process during several periods between 1978 and today. This way, the Chinese economy did not only grow substantially, but the Chinese learned to develop their own management system based on their traditional values and their spiritual culture. For example, the Ging hexagrams contain information about how to deal with unexpected incidents and the Daoism principles dictate the acceptance of anything that happens. Spiritual dimensions like these allow the Chinese "to go with the flow" and to be more tolerant to changes, while the western management often tries to minimize the role of luck. Furthermore, as a result of the strong spiritual component, the group (family, corporation, party, country, e.g.) is more important compared to a single individual member of society. The Chinese management system is dynamic, flexible and natural but also mutual, disciplined and consensual. In the Chinese view, the world is malleable and Chinese entrepreneurs have a positive attitude to risk and optimism.[6]

Currently, the entrepreneurs as well as the Chinese government are primarily focusing on rapid growth. However, this also results in a lack of welfare and corporate social responsibility, which might lead to problems, as the society itself is developing as well.

2.2.2 Corporate Social Responsibility

Corporate Social Responsibility has not been an issue in China for many years, in spite of economical development. While for European countries the term Corporate Social Responsibility means commitment

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[6] cf. Bouée 2011.

to economic and social topics, in China it is often used as a supplementary tool to implement laws. Although there are laws concerning workers' rights or pollution control, it is very difficult to enforce them and to control companies in a large and decentralized country. Over the last years the Chinese government has committed itself to attach importance to Corporate Social Responsibility issues by international cooperation and agreements. Private companies shall be modeled as state-owned and international enterprises. But China will not reach international standards for a long time although during the earthquake crisis in 2008 and the Beijing Olympics taking place in the same year people watched the companies' activities.[7]

Not only but also the Internet and the instruments of social media had played a major role. Western countries, visitors and journalists forced the Chinese to address international interests and open their country to the attention of the global community. In addition, the Chinese people came in contact with social media.[8] [9]

2.2.3   *The Role of Social Media in China*

When European people think about social media in China, they think of censorship. Social media exists in China, but it in a politically correct way. Officially about 404 million Chinese people used the Internet in 2010, over 90 per cent visit social media pages at least three times a

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[7] cf. Zyhiyi 2011.
[8] cf. Chahoud 2008.
[9] cf. CSR weltweit 2011.

week.[10] There are many reasons which make social networks attractive in China: The size of the country and the distances make it more difficult for people to keep in touch with each other. The mentioned governmental control of information is stricter on traditional media. It is also difficult to get information about foreign products on the Internet; mostly it is limited or only available in foreign languages

Of course, especially the last point is important for national and international enterprises to become successful and to get connected with customers.[11]

While international companies are active on the Chinese social media market for years, national enterprises started slowly. For international brands it is very profitable to be present at networks like Renren. Some years ago, they could not communicate with the customers because of distance and language; today brands like Coca Cola gain hundreds of thousands of fans in communities in China. National brands recognized the potential of social media later, but now they are starting strong digital campaigns.[12]

2.2.4   Consequences and Future Prospects

Focusing on the current situation in China, it is not easy to predict how social media will develop exactly. It seems to be clear that it will become even more popular for companies and customers, but also for po-

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[10] cf. Fenn 2011.
[11] cf. ibidem.
[12] cf. Fenn 2011.

litical topics. However, it could be possible that after the recent social disturbances in China (because of surging prices in consequence of inflation[13]), the government is going to tighten the control. This could be difficult without blocking the national social media. This would probably enforce the dissatisfaction with the government because social networks have become very important for millions of Chinese people.

Looking at examples like the coverage of the Beijing Olympics or the 2009 earthquake or specific advertising examples like Coca Cola illustrates the importance of social media to the Chinese. Instruments like Facebook bring people together and allow them to discuss topics which are either frowned or even forbidden. Social media is creating transparency and a level of openness. Therefore, companies should be aware of doubtful actions like bad working conditions or air pollution because these topics could be discussed through the Internet within a few minutes. If China wants to participate in the global market and have a further economic growth, it may need to address the Daoism principle and "go with the flow". Social media has already influenced the Chinese management system, but it is up to the Chinese government and the Chinese people to decide which role social media will play in the future.

Therefore, not only the Chinese corporations have to face a new kind of challenge, like originally less common forms of organizations. NGOs for example have a great interest in such a development and are already of vital importance in Western countries.

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[13] cf. Spiegel Online 2011.

2.3   Stakeholder Dialogue, NGOs and Social Media

Naked people lie wrapped in cellophane in pedestrian zones. Rubber dinghies enter oil tankers. And mass murderers are shown having sex in online videos. These are examples of campaigns implemented by non-governmental organizations (NGOs). The first one was launched by rights group "People for the ethical treatment of animals" (Peta). They criticized slaughter of animals. The rubber dinghies belong to the environmental group "Greenpeace". And the online video was a commission of an organization fighting against the spread of AIDS. All campaigns have been very provocative and caused a big media response.

Non-governmental organizations have not always been taken seriously in the past. But today, they are very influential groups in the society. This is proved by the development of the number of NGOs: From 1992 to 2010, it almost quintupled.[14] In Europe or the United States, people trust NGOs more than other institutions like governments, companies or the media.[15]

Today, NGOs are professionally organized in lobbying and fundraising. In this position, they can take influence on politicians, but also on enterprises. For a couple of years, NGOs additionally used a punchy tool in their media campaigning called social media. So they are serious stakeholders for companies.

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[14] cf. United Nations 2010.
[15] cf. Filzmaier 2007.

2.3.1   What Are NGOs?

Schubert and Klein define NGOs as organizations that act for transnational political, social, ecological and economical aims, based on private initiative.[16] They take up a position in the process of political volition. This means they pool political interests, articulate and implement them. NGOs discharge these functions by setting the agenda for their aims, representing them beyond national borders and doing project work. The main subjects NGOs work on are development policy, human rights, humanitarian aid and ecology.

2.3.2   Areas of Influence

Non-governmental organisations influence three areas: Society and the public by setting agenda in the media and change public opinion in their own interest. That is a very important point because it plays a role on handling the two other areas: On the one hand, it makes lobbying easier. On the other hand, they can influence the economy by changing consumers' shopping habits and opinions of companies.[17]

2.3.3   How NGOs Can Interact with Companies

In general, there are two ways for NGOs to behave towards corporations. On the one hand there is the cooperative way. An example is the

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[16] cf. Schubert 2006.
[17] cf. Schubert 2006.

environmental group "World Wide Fund for Nature (WWF)". They work with companies and try to reach consumers this way. On the other hand, NGOs can act on the basis of confrontation. Greenpeace is famous for its high-publicity actions, for example to driving by rubber dinghies towards oil tankers, as mentioned before.

2.3.4   Companies´ Interaction with Stakeholders

Companies have several strategies to handle their stakeholders, too. On the one hand, there is the involvement of the stakeholders by the corporations: Do they regard their stakeholders' requirements? On the other hand, there is the temporal dimension: Do companies just communicate after stakeholders' reactions or do they look ahead in their dialogue and try to avoid conflicts? Thommen combined these two dimensions. He describes six types of strategies, how companies can behave towards their stakeholders:[18]

(1) Keeping still: The company acts only for its own interests. If a communication manager follows this policy, he accepts unethical behaviour of the corporation and also its consequences. No information is given to the public.

(2) Shielding: Companies do not to respect the stakeholders' demands. They show their declining attitude towards them and rather try to mislead stakeholders, if they seem to be dangerous for the business interests.

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[18] cf. Thommen 2003.

(3) Adapting: Entrepreneurial acting is fitted to the stakeholders' claims. But this happens not until they articulated their requirements. If companies choose this strategy too often, they will possibly lose their credibility.

(4) Anticipating: Predicting future demands of stakeholders can avoid conflicts with them, if those are integrated into the corporate policy. But this strategy is unilateral. If a company misses to discuss its findings with their stakeholders, it will possibly lead to misunderstandings.

(5) Reacting: Companies do not act until the stakeholders articulate their requirements. The difference of this behavioral model to 'Adapting' is that the companies start to exchange views only after actually needing to react. This runs the risk for them to act only when the conflict has already risen up. Then it will be very difficult to solve it.

(6) Compounding: Companies that gather the claims of the stakeholders and additionally involve them in finding solutions, will easier find a compromise.

2.3.5   Arenas of Stakeholders

As mentioned in the introduction stakeholders are important for companies. Stakeholders are all groups that have influence on or are influenced by companies. The following passage gives an overview: Menz and Stahl arrange the different stakeholders in arenas. Arenas are a conceptual or a real place, in which dialogue with the stakeholders can take place. The focus will be on the stakeholders of the public arena.
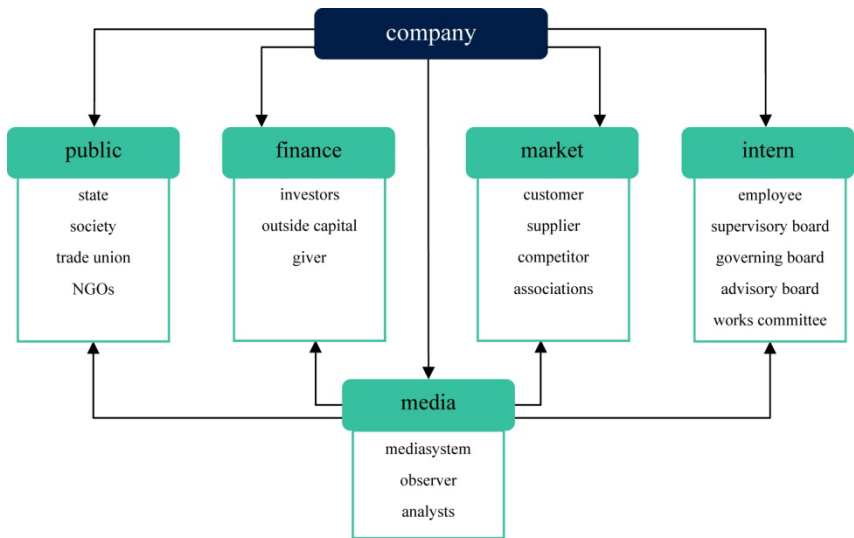
Figure 1: Arenas of the Stakeholder Dialogue[19]

2.3.6   Public Arena

NGOs belong to the public arena, as well as the state, society, trade un-ions. Related to the state, the company can try to take a passive or an active one.

2.3.7   The 'Relevant Milieu' of the Company

Every systematic stakeholder management starts with the analysis of the groups of interests and stakeholders. The Stakeholders are ordered in A-, B- and C-stakeholders. The A- and B-stakeholders are the most

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[19] Menz & Stahl 2008.

important groups; the C-stakeholders normally do not come in the focus of the dialogue, because of the little influence they have. The A-stakeholders have a huge influence and they are the main dialog partners. The communication comes mostly directly from the management committee of the company. The B-stakeholders have big power potential, but without showing openness. Here, the company tries to gain more influence by using professional "relation promoters". These promoters are people, who establish relations to organizations, fields of knowledge and cultures.

2.3.8   Objectives of the Stakeholder Dialogue

The stakeholder dialogue objective is not the representation of achievements; it is rather the dialogue to show contradiction. The participants should accept different points of view side by side. Another important issue is to take up new positions and to enlarge existing perspectives. The business management aims to construct durable relations to the A- and B-stakeholders.

2.3.9   Three Dimensions of Stakeholder Relationships

Stakeholder relationships are founded on three fragile dimensions. Robert Bosch once said: "Rather lose money than trust". Trust needs time and includes the risk of disappointment. This is also valid for companies which must allow access to the organization. This can be achieved by the integration of customers or suppliers in the company

and the well-known open house is also a possibility. Trust is therefore based on honesty; this does not mean falsifying announcements for own interests. Even in the dialogue between companies and NGOs, trust takes a more important role. However, it must be said that both mistrust and scrutinization belong to the main issues of the NGOs. Another dimension is the reputation, which is the sum of single expectations and experiences concerning the trustworthiness of an act. The last extent is the commitment: it is the readiness to stay in an existing relationship, even if there are better options available.

2.3.10 Stakeholder Dialogue in Times of Web 2.0

Dialogue with stakeholders has changed in times of Facebook, Twitter and YouTube. Communication has turned from one-way to bilateral. This can be challenging for companies.

One example is a recent problem, the food company Nestlé had to face: In spring 2010, Greenpeace posted an online video, in which an employee bites in a chocolate bar that turns to into an orangutan finger. With this method, the environmentalists criticized the deforestation of rainforests for the production of palm oil, which is needed for chocolate bars like Nestlé's Kit Kat. Greenpeace started a broadly based social media campaign. On Facebook, they created a site called "Can this orangutan get more fans than Nestlé?" News about the campaign was spread via Twitter. The reaction from Nestlé was to censor the video and block web postings concerning this topic. The company stopped

releasing any information. They even took their own Facebook fanpage offline. The result was a very huge loss of popularity.

2.3.11 Conclusion

Many companies learned from this example. They realised that it is impossible to communicate equally with stakeholders like NGOs. So they adjusted their social media dialogue into transparent communication and started to accept criticism, even making NGOs one of the main target groups of their social media activities.[20] Because of the increasing importance of online networks, this is an inevitable step.

2.4   A Changing World – How It Influences Marketing

Today, the media in general and social media in particular are becoming more influential, because of the growing spread of the Internet. Information will be transmitted from one corner of the world to the next within very short time spans, so the new media have a global impact.

That means a new challenge for countries, whose information policy is not well known as a system of transparency. As seen before, China runs a kind of information firewall to control the news agenda. But by using new media, people try to undermine this barrier. The Chinese government has to decide whether it wants to keep this method and by this way take the risk of further political turmoil or to start a more open in-

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[20] cf. Wolf 2011.

formation policy, which might weaken their position now but will ensure their power in the long run.

Private companies have to cope with the challenge of social media as well. Corporations have to deal with a growing number of stakeholders, i.e. groups of people and institutions with interest in their entrepreneurial acting, who can communicate their needs much easier using new media. Companies have to pursue a transparent and open information policy, if they do not want to lose the credibility of their marketing strategy. Otherwise, it will disadvantage their business. Because of that, some corporations already implemented a strategy how to deal with this situation. However, there is no universally valid alignment of marketing strategies to the new situation yet. Scholars all over the world are trying to explore the impact of sociocultural change on corporate marketing and communication to find solutions to the emerging set of problems. One of them is marketing expert Philip Kotler, who is defining a concept of sustainable marketing to deal with the challenges of the modern world in his newest book. His approach will be presented and critically evaluated in the following chapter.

3 Reflection on Marketing 3.0

In 2010 Philip Kotler published, in cooperation with Hermawan Kata-jaya and Iwan Setlawan, his latest marketing findings in his new Book "Marketing 3.0: From Products to Customers to the Human Spirit". Its key aspect is the advancement from consumer-oriented marketing to value-driven marketing. Human Spirit Marketing is meant to address not only the body and mind of consumers but also their hearts and spi-rits. In this chapter the key findings of the book will be reflected in a short summary and their practicability will be reviewed.

3.1 Future Model for Marketing 3.0 (Chapter 2)

At the beginning of his book, Kotler introduces a new Marketing Model called "3i-Model". It consists of a triangle formed by the three central terms brand, positioning and differentiation which gets extended to the outside by the so-called 3i: brand identity, brand integrity and brand image. The intention is to address the whole human being, consisting of body, mind, heart and soul and thereby shift from the traditional mar-keting to an approach of value-driven marketing. Marketing 3.0 is de-fined as the era, in which horizontal communication and values like honesty, originality and authenticity become important. Therefore the philanthropic commitment needs to be part of the mission, vision and values of every company.[21]

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[21] cf. Kotler et al. 2010.

A positive aspect of the "3i-Model" is to force trust into a brand. Its honesty, originality and authenticity are seen as fundamental requirements for operating marketing. But the "3i-model" is not very definite, since only part of every possible correlations of the triangle of brand is explored, which makes it more difficult to understand.

The concept of addressing every human with its body, mind, heart, and soul lacks explanation as well, as Kotler never defines his understanding of soul. Furthermore it is questionable if it is possible and necessary to address someone's soul. The value-based matrix that connects mind, heart, and soul of an individual person with the company's mission, vision, and values is ambiguous and incomprehensible, too. It would perhaps be more understandable, if the matrix defined the correlation between the criteria of trust marketing with the company's mission, vision, and values. Those could also get extended by the strategy and the specific action to implement the concept.

3.2   Marketing the Mission to the Consumers (Chapter 3)

The next step in Kotler's approach is to market the mission correctly to the consumers. In the developed countries more and more people want to have background information about products and want to know about the environmental and social consequences of the production process. Therefore, they attach importance to recommendations and reputation. A little mistake can be spread via media channels, especially social media, within a very short period of time and long-term earned trust can be destroyed for years or even forever.

The mission should come first and financial returns should be examined only as a result afterwards. In order to create a good mission, it is supposed to contain the idea of transformation. The creation of fascinating stories around a brand helps to build a convincing character and plot. To realize the transformation, the consumer needs to be involved and empowered. This can be a helpful process, either before a new product release or in order to improve the existing product.[22]

The idea of storytelling is already known, but not in the context of spreading the mission to the consumers. It is very crucial to implement the mission not only to the marketing department, but also to the whole business strategy.

3.3 Marketing the Values to the Employees (Chapter 4)

Kotler emphasizes that the marketing of the values to the employees is at least as important as the mission-marketing to the consumers. The concept of Marketing 3.0 is about integrity and sticking to what a company promises. Values can be highly motivating for employees: If they believe in the company's values themselves, this leads to a better productivity and gives them the sense of a meaningful work. Moreover, good values attract good potential employees, can retain them in the company and create a higher commitment. Kotler demonstrates the importance of the corporate culture of a company as well, which should be collaborative, cultural and creative.

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[22] cf. Kotler et al. 2010.

Marketing 3.0 will change the employees' lives, simultaneously giving them the chance to influence the lives of people, i.e. customers. This is linked with the empowerment of the employees and with the forming of a cooperative democracy and real community within a company.

The aspect, that an intrinsic motivation of the employees through values is more long-term orientated than external motivation through for example a pay rise, is a very interesting and important one. Employees are becoming brand ambassadors and companies are realizing the power of employee branding. People often judge the authenticity of a company by rating the genuineness of its employees. Therefore the brand management begins inside a company itself.

Furthermore, it is an effective way to find decisions within a team of many different people who all submit varying impulses to a certain issue. The results of such teamwork can be highly innovative.[23]

Of course it is practically impossible for all employees to share the same values, because people are individuals. However, they should share a common consensual attitude towards the core values of their company. For corporate groups it might be more difficult to successfully communicate the values to their employees than in family firms for instance. Smaller companies have the advantage to interact with their employees in a more personal and effective way of communication.

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[23] cf. Kotler et al. 2010.

3.4   Marketing the Values to the Channel Partners (Chapter 5)

In the fifth chapter Kotler concentrates on the channel partners. In Marketing 3.0, channel partners are more important to companies than ever before and must become allies. For Kotler, the most important criterion in the choice of the channel partners is to check the compatibility. He describes this process as the mirroring of the purpose, the identity and the values of the company and its channel partners. In the best case they are identical. Understanding each other's business model is a necessary and elemental basis for a fair and effective partnership. Moreover it increases the trust between a company and its channel partners, which also has a positive impact on consumers' trust. Besides, partners with compatible values deliver and support the (brand) story of a company in an authentic way. Therefore, a continuous instruction of channel partners is essential to a successful partnership. The key concept is the company-channel-integration with the aim to strengthen the integrity of a company.[24]

For a corporate group it might be more difficult to find adequate channel partners, because they need lots of them. Kotler's approach could also be challenging to put into practice, considering the fact that companies have very differentiated identities, because they try to differ themselves from other competitors. Therefore, the existence of companies with really identical value systems and the same purposes is unrealistic.

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[24] cf. Kotler et al. 2010.

Nevertheless, it is possible, that the identities and the values of a company and its channel partners harmonize and are not oppositional – this should be the goal of the approach. Companies should be concentrating on the right framework conditions like the communication between partners, profit margins and incentives. This leads to a horizontal and efficient partnership, but still preserves the different identities of the companies.

3.5   Marketing the Vision to the Shareholders (Chapter 6)

The corporate vision of Marketing 3.0 should embrace the concept of sustainability. Through market polarization and scarce resources, the business landscape is changing and consequently the importance of sustainability increases. Companies need to convince shareholders to change their strategies from short-term value orientation to long-term-driven capitalism, as the last-named enables more sustainability. Through the concept of sustainability, companies are able to improve their cost productivity and corporate brand value and get higher revenue growth.[25]

Kotler's intention to find a concept to imply sustainability is commendable, since care for the environment is always of importance. Nevertheless shareholders do not necessarily share this view, as they are interested in a maximization of profits, which can be achieved by the use of short-term driven capitalism. Companies cannot just change their minds because they follow a strategy and they often care more for the result

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[25] cf. Kotler et al. 2010.

and less for sustainability. There are other shareholders with a long-term value strategy; shareholders who want to support companies with a sustainable philosophy invest into those companies from the very beginning. If sustainability becomes natural, the advantage of competition will decline and cannot be communicated on a long-term basis. The concept might be useful for many companies, but not for every company.

In this context it is important to state, that many companies still do not implement a strategy of sustainability because of a mission or values but because of their profit. In some branches sustainable behavior can be misplaced and gives no economical value, for example the arms industry. Kotler's concept cannot be universally applied and it strongly depends on the respective business of a company. Furthermore Kotler does not explain properly how to implement his idea practically. There are no concrete suggestions on how to understand shareholders for long-term-driven capitalism. In areas where it is possible to act sustainable it should be self-evident to be trustworthy. Most shareholders are looking at the profit of their shares, but a company can influence the structure of their group of shareholders, e.g. via quotation, preference stocks, dividend policy, etc., and therefore influence their way of thinking. Consumers should be seen as the most important part that should be influenced. If they are satisfied, the company and consequently the shareholders can profit.

In terms of extending and advancing Kotler's concept there are two impulses to think of. Companies should not try to convince their shareholders to support sustainability. Rather they can influence their com-

pany's structure to influence their shareholders way of thinking; probably via quotation, preference stocks or dividend policy. Secondly, companies should see their structure from the far side. Consumers actually are the most important factors. If they are satisfied it will increase ones turnover and consequently satisfy the shareholders and other stakeholders, too. The concept of sustainability needs to be designed to user specifications which implicate branches that derive advantage.

3.6   Delivering Socio-Cultural Transformation (Chapter 7)

Chapter 7 explains how companies can create future growth and differentiation in mature markets by delivering a so-called socio-cultural transformation. Nowadays companies feel that customers expect them to act in a social responsible way; hence they donate money for social causes in their home country or abroad. According to Kotler a better way to empower consumers – and to lead them to self-actualization – is to carry out cause-marketing campaigns. In this case the company does not only spend money for social projects, but also creates a connection between their products and services and certain motives or occasions. These projects show a strong linkage with the target group, which also includes the employees of the company. The best way to practice Marketing 3.0 is to enable consumers to reach self-actualization.[26]

This new approach should lead the company to higher growth levels and a better distinction from competitors by integrating its concerns for social problems into its objects. The all-encompassing aim of this ap-

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[26] cf. Kotler et al. 2010.

proach is to allow the consumers to go up the Maslow pyramid. This can be reached by determining certain problems within society e.g. health issues, to ascertain the target group and finally offer solutions for the specific problem.

Philip Kotler's concept, that mature markets should be treated different- ly than fast-growing markets is understandable. It also makes sense that companies should link their company objects with long-term social deeds and by that, differentiate themselves from competitors and attain future growth. The claim that companies should act as responsible citi- zens and not only carry out short-term Social-PR actions seems to match the expectations of the consumers. They are more trustful to companies that are engaged in social activities that do not only aim for a short-term increase of revenues. In this chapter, one has to critically review the main concept of the so-called three stages of addressing so- cial issues in Marketing.

The idea to enable consumers to go up the Maslow pyramid and to create socio-cultural transformation is ambitious but the question is whether human beings accept extrinsic influence by a company on their lifestyle. One may think that consumers will rely on their intrinsic be- liefs and ideas to reach self-actualization and will not allow companies to influence them on such a high level. There arises also the question how consumers would react to attempts of various companies to reach transformation in different areas and with contradictory aims. The companies described in that chapter, Disney and Wegmans, changed their business concept for economic reasons. A positive side aspect of this realignment is that consumers have the opportunity to choose for a

better lifestyle. However this is an alteration that was only triggered by the companies, but realized by the customers. Maybe that is a better way to describe this part of the Marketing 3.0 concept: companies can offer solutions to enable positive effects, but in the end it is the human being that has to be willing to make a change in his/her life and by that can reach self-actualization.

3.7   Creating Emerging Market Entrepreneurs (Chapter 8)

Phillip Kotler explains that information and communication technology structure is one of the three solutions for reduction of poverty in newly industrialized countries. The blend of excess supply, under-consumption in mature markets and hyper competition is the second solution. The last proposal is that the government should regulate the migration and investments in urban areas. His idea of social business enterprises (SBE) is one diminutive part of the complete solution, how income can be allocated more responsibly in emerging markets.[27]

The watering-can principle is no option for Kotler. He states that there are four requirements that every solutions should fulfill. The scale of the solutions should reach the poor human masses and should last over generations. The effectivity of the solution needs to be given and it should make a difference. His last requirement is that it all must happen efficiently. Kotler's approach itself is correct but there are many other governmental and local requirements which have to be completed, so that the focal points of the requirement can get lost.

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[27] cf. Kotler et al. 2010.

In the last part of this chapter, Kotler presents Marketing 3.0 as a model for poverty alleviation, which makes much sense for the SBE, as they are not focused on profit only. His ideas can help to push companies, but the realization needs to be adopted individually and locally. Additionally, they need to be specified and the fact that people need to be educated in writing and calculating is more important.

3.8   Striving for Environmental Sustainability (Chapter 9)

This chapter deals with the global problem of environmental sustainability. For Philip Kotler companies which practice Marketing 3.0 have to act in an environmental friendly way. In reality, businesses react differently to this challenge, some still ignore the problem; some are already in the spotlight of NGO's that criticize them for their bad influence onto the environment and some realize that they can turn this problem into an economic advantage. Kotler states that with these different approaches in mind, one can make up three pro-active stances that companies can take up to face the problem. They can act as an Innovator, as an Investor, or as a Propagator. The Innovator develops products that do not only save the environment, but also help to revoke damage. Investors offer financial aid to green projects e.g. in the Innovator sector, to gain profits in return. Propagators have integrated green concerns into their business model; they sell the products invented by the Innovators. Of course every stance will be taken due to different motives, but acting together, these three business models can produce

and promote environmental sustainable products not only for the niche market, but also for mass markets.

For selling these products the companies have four target segments that will buy these products – regarding to the product life-cycle: Trendsetters, Value-Seekers, Standard matchers and Cautious buyers. The concept of Philip Kotler describes three different business models that should help to diminish the global environmental problems. All models are linked together; starting with the Innovator that creates new products, followed by the Propagator which creates the buzz and in the end the Investor will play its part by giving financial aid and therefore allows to reach a mass market.[28] This assumption seems to make sense in theory, in practical experience the sequence cascade will not be without interruptions. Sometimes Innovators create products, but neither have the financial possibilities from Investors, nor do they have a demand for their products, created by Propagators. It sounds good, that all three business models are linked together and therefore should work together, but in reality this sometimes does not work out.

3.9   Final Remarks

Altogether, Kotler describes a very holistic and integrated form of marketing focusing highly on sustainability in every dimension. The aim is to regain the lost trust of the consumers.

Integrating the storytelling of a brand and its company into the own mission of the company is quite a new aspect. Seeing employees, chan-

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[28] cf. Kotler et al. 2010.

nel partners and shareholders as important allies is as per Kotler a fundamental aspect for an efficient collaboration. The communication of the mission, the vision and the values forms a necessary basis for this purpose. As a result, real communities with fair conditions will exist. Consumers should also be integrated into the communication process and should be seen as human beings with social needs that have to be satisfied.

Concerning the practicability, Kotler does not mention concretely for which branches of trade and for which kind of companies his particular conceptual approaches are applicable or not. How to achieve these ambitious goals in practice stays another aspect for further research in the future as well.

Therefore, Kotler's approach is not yet the final answer to the questions of the modern world concerning marketing and communication. In fact, it is one possible approach to a solution, which only does justice to the challenges in some parts, mainly because of the lack of narrower basic definitions. This makes the approach hard to implement.

A different approach is a concept that is focusing on the factor of trust. The following chapter will deal with this different way of dealing with today's challenges towards marketing. It is based on the commitment-trust-theory, but in effect consists of an own approach, that refines the process of building trust.

4   Trust Marketing – Development of a New Model

To establish trust in companies and their products is a challenge only marketing can face. The development of a new marketing model aiming for this purpose is the subject of the following chapter.

4.1   Meta Level – Commitment-Trust Theory

> „One of the most salient factors in the effectiveness of our present complex social organization is the willingness of one or more individuals in a social unit to trust others. The efficiency, adjustment, and even survival of any social group depend upon the presence or absence of such trust"[29]

Robert M. Morgan and Shelby D. Hunt, both Professors of Marketing from Alabama und Texas, use this quote to introduce the theory of Commitment and Trust in Relationship Marketing. They are trying to show that in an ever increasingly competitive business world there is a need for a more complex and interpersonal approach to marketing. This part of the e-Book will have a closer look at the evolution from a seller's to a buyer's market and especially how companies are able to cope with this change in regard to establishing Trust among their future and present buyers. According to Morgan and Hunt in order "to be an effective *competitor* (in the global economy) requires one to be a trusted *cooperator* (in some network)."[30] Taking a relationship marketing definition by Berry and Parasuraman: "Relationship marketing is attracting,

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[29] Rotter 1967, p. 651.
[30] Morgan & Hunt 1994, p. 20.

maintaining and – in multi service organizations – enhancing customer relationships."[31] They show their understanding or relationship marketing as being a business process. This process is evolving and customers and companies expect more. This is why the following theory will serve as a framework for the Trust Marketing model that will be developed in the following chapters. This theory will be seen as a Meta level that lies behind the actual model and provide the theoretical approach to the topic.

Morgan and Hunt's understanding of relationship marketing is based and influenced by two key variables: commitment and trust. They propose that these are central in producing successful relationship marketing.
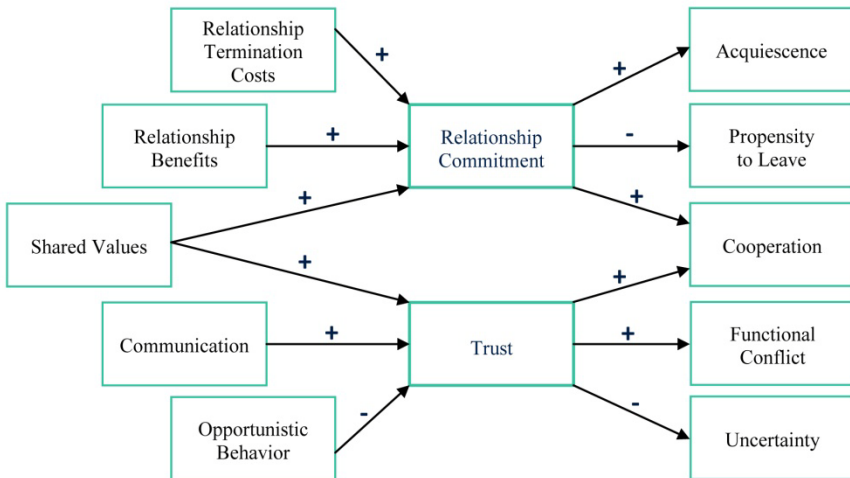

Figure 2: The KMV Model of Relationship Marketing[32]

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[31] cf. Berry & Parasuraman 1991, p.133.
[32] cf. Morgan & Hunt 1994, p. 22.

Commitment is defined as a valued relationship that only exists when it is considered as important and also the committed partners are willing to work at maintaining the relationship in order for it to go on indefinitely.[33] Morgan and Hunt see trust as an existing variable "when one party has confidence in an exchange partner's reliability and integrity."[34] Also Berry and Parasuraman state that trust is a key component of effective business especially for marketing. Trust needs to be managed since the potential customers are buying a product or service before experiencing it and this involves trust.[35] Relationship commitment is influenced mainly by trust because "relationships characterized by trust… [are of such high value], that parties will desire to commit themselves to such relationships."[36] As seen in Figure 2, trust is a major determinant of relationship commitment (therefore the arrow and the '+' sign) but there are also other components or precursors of commitment and trust. Morgan and Hunt came up with five specifics that influence the relationship quality. First would be the relationship termination costs which describe expected losses that can result from termination. If these losses are relatively high they lead to the relationship being viewed as important. Relationship benefits on the other hand explain that if a partner is delivering high valued benefits for the other partner, one will commit oneself to the relationship. Common beliefs that are shared among partners will lead to higher commitment and increased trust, since they share the same values and views on certain topics. Ho-

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[33] cf. ibidem, p. 23.
[34] cf. ibidem.
[35] cf. Berry & Parasuraman 1991, p. 107.
[36] cf. Hrebiniak 1974, p. 78.

nesty and integrity would be an example for that, also the payment be-
havior of a client or partner would be a shared value both parties would
agree upon. Communication, especially past or previous communica-
tions, will enhance trust if they have been of high quality. A lot of
communication doesn't necessarily mean good communication; it all
comes down to how the communication is valued. One variable that
negatively affects trust and consequently relationship commitment is
opportunistic behavior, meaning that a partner only acts for his own
good; disregarding others and therefore creating distrust in his actions.

Trust and commitment are among other desirable outcomes of relation-
ship development. Morgan and Hunt also state five other effects that
result from a qualitative high relationship. For example acquiescence
which stands for the degree to which a partner accepts another partner's
requests or policies. It is proportional to the commitment level. A per-
ceived likelihood that a partner will terminate the relationship, known
as the propensity to leave, will be less high when partners are commit-
ted. Cooperation means that the participants of a relationship work to-
gether and a committed partner will cooperate better. Trust also influ-
ences the level of cooperation. The last two outcomes from a trustwor-
thy relationship are functional conflicts, which can be seen as disputed
that are resolved in a friendly and cooperative way and decision making
uncertainty. Trust decreases this uncertainty because a partner has con-
fidence that the trustworthy other can be relied on.

This theorem builds the essential basis for the following model showing
a complex strategic tool companies could adhere too when trying to
apply trust marketing to their business values. Upon the hypothesis of

Morgan and Hunt the elements of the model can be adjusted and controlled in order to achieve and receive trust from customers, partners and the like. The essential part of the theory is the interconnectivity of trust and relationship commitment which are also seen as the key variables for the model.

4.2 Triangle

Based on Morgan and Hunt's theory a new marketing model is developed, having the three "adjusting screws" Customer Relationship Management, corporate strategy and external factors which are described below.

4.2.1 CRM

The role of customer relationship management is important in order to gain trust of current and future customers. This section describes the importance of CRM, customer involvement and gives examples for the operational execution.
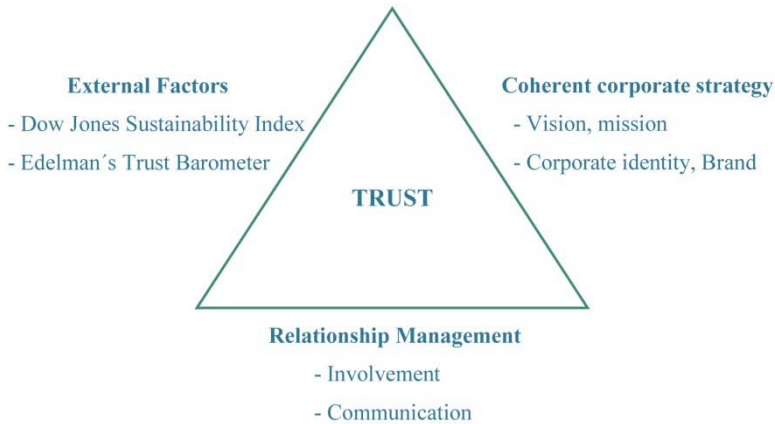
4.2.1.1 Involvement

Figure 3: Triangle of Trust

Involvement describes the inner engagement, with which an individual approaches an object.[37] The inner attitude towards a product or service is important concerning the effect of corporate communication on a product, a service or a brand. If a company doesn't know the involvement of their customers, it will be very difficult for them to accomplish their communication goals.

There are two kinds of involvement the cognitive and the emotional involvement. The cognitive involvement describes the processing of information and is measured in "learning", "thinking" and "knowing".[38] Meaning when there is a big interest in the product and its capabilities; there is a high cognitive involvement to the product. (e.g. Personal computers).

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[37] cf. Bruhn 2007 S.476.

[38] cf. Meffert 2008, S.102.

The emotional involvement describes the emotional attitude towards a product. Low emotional products are mainly for pleasing simple needs of a person. (e.g. FMCG).

To address the customer the right way it is important to know how the customer's involvement is towards the product, service or brand. It also has effects on how to reach the customer with corporate communication and which media is best for doing so. To gain the customer's trust he needs to be addressed at the right time, with the right message and the right media.[39] This also effects the communication within the customer relationship management.

4.2.1.2 Customer Relationship Management

To do a trustworthy CRM it is important to address the customer on every pillar of the three-pillar model of sustainability. The three pillars are: ecology, economy and social issues.

Ecology: Since the last ecological tragedies (e.g. Japan) there is a high emotional and a high cognitive involvement of the customers concerning ecological issues. The customers demand for ecological products is higher than ever. Not only the product but the whole production line needs to be ecological. To gain trust from customers, companies must start to change their products. This is also a win-win situation for the company since reduced package size leads to lower shipping and stocking costs as well as lower amount of waste. The effort companies put into producing more ecological products need to be written down in the

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[39] cf. Bruhn 2007, S.207.

company's strategy and be followed by an ecology plan. Otherwise the company can be accused of green washing etc.

Economy: The economical issues address cognitive involvement. For a trustworthy CRM it is important to act authentic and fair along the whole value chain. It is counterproductive when only done with special partners not all. For a good economical CSR (Corporate Social Responsibility) concept, a company needs strategies for customers as well as suppliers. Otherwise the customers don't take the CSR efforts seriously. Suppliers can also become brand advocates not only customers.

Social: If a company decides to support or take care of social issues, it is important to do this not only by spending money but by showing customers a structure or a plan. So the customers understand what the company or the brand stands for. Otherwise the company or brand can be accused of patronage just for marketing reasons.

4.2.1.3 CRM – Communication

Web 2.0 communication gives a great opportunity to win back a customer's trust via CRM. Within the progress of gaining a customer's trust with these new tools, it is important that the dialog between the corporation and the client is honest and trustworthy. If a problem occurs, it is fundamental to act by the rules the CSR-strategy provides. Every person who is in touch with customers or suppliers etc. needs to be beware of the effect it has on the trust side. So the main objective is not to become a trustworthy company but to implement the new found message within the entire company. If a corporation decides to do such

a form of marketing, there will be certain problems. But how does one address such problems? There are numerous examples which show negative effects of one simple post or messages which affect the image of corporations negatively. So the dialog must be honest, trustworthy and according to Kotler more human. But how can a company act as a human being? The answer is: It cannot. Only the employees can.

4.2.2 Coherent Corporate Strategy

Trust can be influenced by internal and external factors. The external factor is the "Trust-Index" (cf. chapter 3.3), internal factors are relationship management (cf. chapter 3.1) and a coherent corporate strategy. A coherent corporate strategy, that creates trust, is based on a vision, a mission and a mission statement.
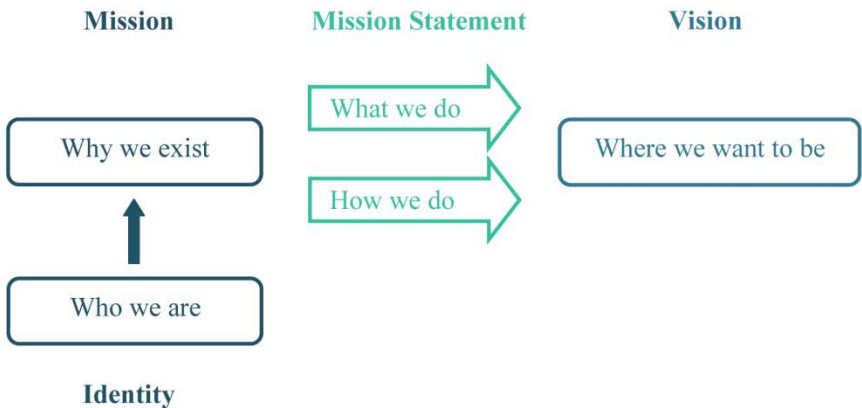

Figure 4: Elements of a Coherent Corporate Strategy[40]

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[40] Compiled by the authors.

The *vision* is a realistic and credible central theme. This central theme should have tree characteristics, it should be:

- Meaningful
- Motivating (not an utopia, but a realistic imagination)
- Action leading[41]

The vision expresses where a company wants to be in the near future (in five or ten years for example). The vision is limited in time.[42]

Closely related to the vision is the *mission*. The mission includes the actions a company has to take on, in order to achieve the vision. It is not limited in time. A mission should make statements about the following four central items:

Object of a company: describe, why the company exists, the basic purposes, the legitimization of its existence and what the center of the entrepreneurial action is. From the object of a company one can deduce corporate goals.[43]

Values: provide information about what is right and appropriate. Core values are the real corporate culture[44] and therefore a central factor for the corporate identity.[45]

Standards of behavior: are principles that should be valid to all actors in the company and they should be compatible with the core values.[46] The

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[41] cf. Müller-Stewens; Lechner 2005, p. 235.
[42] cf. Gläser 2008, p. 713.
[43] cf. Gläser 2008, p. 709.
[44] cf. Kotler 2010, p. 71.
[45] cf. Gläser 2008, p. 723.
[46] cf. Gläser 2008, p. 709.

Code of conduct can summarize the values and ethical principles for all actors in the company.[47]

Strategies: describe the design of the market-oriented and the competition-oriented strategies. These strategies result from the object of a company, the corporate goals and the core values, and help to realize them.[48]

If the mission exists in a comprehensive written form and if it is communicated actively, it is called *mission statement*. The mission statement has three core features:

- Orientation
- Legitimization
- Motivation[49]

"Our staff is integral to our success."[50] Many companies have embedded statements like this in their vision, mission or mission statement.[51] This illustrates how important employees are for a coherent corporate strategy and finally for creating trust.

Employees have to be inspired and motivated by the mission statement and it has to offer them orientation and stability. The mission statement creates an identity (Who we are) for employees and the whole company. Corporate identity means that the employees have to identify with the company by accepting the corporate values and the code of conduct.

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[47] cf. PwC 2006-2011.

[48] cf. Gläser 2008, p. 709.

[49] cf. Müller-Stewens; Lechner 2005, p. 239.

[50] Deutsche Lufthansa Aktiengesellschaft.

[51] cf. BASF Aktiengesellschaft 2011.

This is important for a coherent corporate strategy and the coherent corporate strategy in turn creates trust.

The corporate identity is closely linked to the brand. For the identification with the company it is important that the employees live the brand (the corporate brand as well as product brands) and become brand ambassadors. That means the brand should be embedded in the employees thinking, feeling and acting.[52] The fact that employees are integrated in the brand strategy helps the brand to become more credible and the company to gain trust. Of course, the opposite can also be possible.

BASF demonstrate an exemplary corporate strategy that includes vision, mission, values and principles. The company balances the brand strategy and the corporate strategy.[53]

One can consider the brand from two viewing angles: the brand inside (as described above) and the brand outside the company.

A strong brand has positive effects on a long-term success. Outside the company strong brands can appear as a signal of trust to the consumers. The brand promotes a perception of quality, as well as reduces the perceived risk and the perceived information costs.[54] Finally trust in brands influences commitment and loyalty of consumers just as for employees.[55]

Often companies only concentrate on strategic issues in their daily business, but the basic orientation (vision, mission and mission statement) of the company is neglected. In defined intervals the vision and

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[52] cf. ESCH. The Brand Consultants GmbH 2008.

[53] cf. BASF Aktiengesellschaft 2004.

[54] cf. Balderjahn 2005, p. 14 et seqq.

[55] cf. ibidem.

mission of a company should be checked. Therefore an effective compliance and risk management, in form of an internal control-system is as important as a coherent corporate strategy to create trust in the long-term for internal and external stakeholders.

4.2.3 The Importance of External Factors

If a company wants that people put their trust in them they have to pursuit a coherent strategy of trust marketing. This kind of strategy includes not only – as stated previously – a company's communication of sustainable measures and the need to have an integrated sustainable company philosophy but also to control external factors. In other words: Companies want to have a trustful reputation. In order to reach that goal they have to present themselves sustainable in order to influence people's perception. It is easy to do your own communication but it is getting more difficult when you try to use external reporting of your business to reach the goal. Although external reporting is just partly controllable it is one of the most important criteria to build trust and therefore a crucial factor of trust marketing. There are many external reporting tools that companies can use to improve their reputation. At this point we want to suggest two significant indexes and we also want discuss the role of labels.

The *Dow Jones Sustainability Indexes (DJSI)* are a family of stock. The indexes measure companies' sustainability initiatives in order to reject those who do not operate in a proper sustainable and ethic manner and honour those who do operate 'the right way'. The survey analyzes 57

sectors and how well they fulfill various criteria. The criteria are divided into three dimensions: First of all 'Economic', the second dimension is 'Environment' and eventually the last one is 'Social'. Every dimension is equally rated. Overall 2.500 of the largest listed companies were analyzed and the top ten percent are shown in the index. The Indexes are one of the largest databases of sustainability and a tremendous opportunity for companies. They are worldwide approved and enjoy a high reputation. Although the indexes are primarily supposed to attract those investors who want to put their money into a sustainable company, nevertheless the indexes are in the public eye. Newspapers, online platforms and also encyclopedias are reporting about the leading companies of the indexes and in this way public awareness is high. People start to recognize sustainable companies and begin to put trust in them. By inference it means that companies should try to obtain those criteria in order to reach public awareness.

Another survey is *Edelman's Trust Barometer*. Edelman is a PR agency that launches a yearly report about trust and credibility. In order to get the expected results in 2011 they interviewed approximately 5.000 opinion and business leaders. They try to figure out what is important in regard to corporate reputation and how trustful countries, businesses and institutions are. They also attempt to detect annual business trends. In 2011 Edelman draw the conclusion that businesses have to make profit with purpose. This implies that they have to take care of social issues and have to provide social benefits. The issue of trust gains importance and works like a protective shield. Furthermore Edelman has its own index. The *Trust Barometer Index,* which shows each country's

score on an average of its trust-level of all its institutions. Different from the DSJI, Edelman's report and also the Trust Barometer Index is not referred to a certain company but rather to a certain industry or country. But what is the value for a particular company – especially in respect to presenting its own company in the public eye? Edelman's Trust Barometer gives specific guidance to top management. The report shows that they have to integrate trust marketing and shows how to build it. If they follow the guidance of Edelman's Trust Barometer they follow the trend and they will succeed.

The last point we would like to discuss is to build trust with the help of specific labels. Labels are supposed to make shopping and trusting easier. Only in Germany though, you can find over 1.000 different labels – and the trend is rising steadily. As a result people are getting more and more confused. Nevertheless there are labels and a strategy to use labels in order to work to your advantage. Before a label succeeds people need to be aware of this label. That means you have to work with labels which are familiar and especially independent. Another strategy is to work with your own label and additionally with an independent one. Your own label shows that you are willing to be sustainable and the independent one supports your dedication. Furthermore it makes sense to go with different platforms. For instance there is an independent platform called *label-online.de*, which is also available in English. They test if certain labels are trustful and if not, make them more transparent. As you can see not just the internal communication and strategy is important in order to execute trust marketing but also the external one. Even though the external communication is more difficult to control it

can affect people more deeply. People's awareness of a company is strongly influenced by independent reporting or testing. Therefore it is crucial to a company that they try to work with external sources like indexes or labels.

4.3   Critical Reflection

The shown model represents a prime example of Trust Marketing. There are a few critical issues resulting from this approach that have to be considered.

The first question is to what extent the developed model can be reconciled with the current aggressive advertising model. Admittedly, short-term advertising campaigns promote the sale of goods, but they do not contribute to a building of trust in the long run. Nevertheless, advertising pressure is a necessity of Trust Marketing, as only then the necessary attention of the consumer is raised.

Only the informed consumer can decide which brand he should trust. In order to effectively combine advertising pressure with trust-building measures, a better cross-linking of the Marketing Department, the strategic advisors, as well as the CRM is necessary.

Concurrently, the incentives of Product-/Marketing Managers are often focused on short-term success, such as turnover. The payment of these managers should rather be measured by their success of building trust with customers than merely concentrating on product sales.

To combine all of these different influences, a holistic approach towards trust marketing is required to make it work.

5   Conclusion

The findings of the initial analysis showed that today's world is in a process of change concerning many different aspects, e.g. social, political or technological. Especially the evolution of media is forcing companies to change their views on marketing and communication and creates new approaches towards potential and existing customers.

Kotler's concept of Marketing 3.0 is one of many possible approaches that as proven in this paper are not always realistic or holistic enough to include possible future developments.

The alternative model of a triangle of external factors, corporate strategy and relationship management presented above enables an integration of the marketing activities in the long-term corporate goal of "building trust".

However it is important to note, that there are still a few boundaries and questions to be answered. The model cannot be used for all industries for example. The limitation especially applies to Fast Moving Consumer Goods (FCMG). These products are associated with a low risk for the customer, so that confidence is rather insignificant in this segment. The willingness to switch to another brand is very high.

Products that are associated with a high purchase risk relate to high costs in terms of loss of security or financial resources. A car purchase or cash investments can be stated as typical examples. These industries are suitable for the model of Trust Marketing.

Beyond that, different target groups have to be considered. Price-sensitive target groups are not aware of trust and focus mainly on the

price. They cannot afford high quality products where trust plays a role in advertisement.

Another limit is valid for different markets. Hard competition sets the conditions in food industry. A trust strategy in advertisement would take a very long time before bearing fruits. Companies could run out of liquidity if no advertising pressure secures the sale of their products. Trust Marketing can be a challenge, a trade-off between securing and strengthen/consolidate the jobs and having long-term trust marketing activities.

The food discounter Lidl could be cited as an example. This company is very active in the strategic field but it can be questioned if Lidl does Trust Marketing. Why does Lidl spend money to build a new energy-saving branch but expresses his will to follow the price leadership strategy at the same time?[56] Or is Lidl just surfing on the green wave? Only long-term study will show if they do Trust Marketing or not.

Furthermore, Trust Marketing could be influenced by Internet portals that offer ethical consumer goods like www.utopia.de. Can trust be bought by companies via these portals? Are these portals really independent from lobbies? Will consumers support companies that undertake projects outside their business activity in order to reduce the CO_2-emission instead of overhauling their production process?

These open questions can be taken as the basis of further research projects. The answer, however, is beyond the scope of this paper.

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[56] cf. Lidl 2011.

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