

MARKETING MIX: 4PS OR MORE?

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Abstract

The main objective of this study is to review the present marketing mix applies particularly to the marketing. This study provides an idea to the marketers and can be used as tools to assist them in pursuing their marketing objectives. Borden (1965) claims to be the first to have used the term marketing mix and that it was suggested to him by Culliton's (1948). McCarthy (1964) offered marketing mix, often referred to as the 4Ps, as a means of translating marketing planning into practice (Bennett, 1997). Marketing mix is originating from the single P (price) of microeconomic theory (Chong, 2003). New Ps were introduced into the marketing scene in order to face up into a highly competitively charged environment (Low and Tan, 1995). Even, Möller (2006) presents an up-to-date picture of the current standing in the debate around the Mix as marketing paradigm and predominant marketing management tool by reviewing academic views from five marketing management sub-disciplines (consumer marketing, relationship marketing, services marketing, retail marketing and industrial marketing) and an emerging marketing (E-Commerce). The concept of 4Ps has been criticised by number of studies, examples Lauterborn (1990), Möller (2006), Popovic (2006) and Fakeideas (2008). However, in spite of its deficiencies, the 4Ps remain a staple of the marketing mix. The subsequent Ps have yet to overcome a consensus about eligibility and agreement over the practical application (Kent and Brown, 2006).

Keywords: Marketing mix, P

1. Introduction

Marketing mix is originating from the single P (price) of microeconomic theory (Chong, 2003). McCarthy (1964) offered the "marketing mix", often referred to as the "4Ps", as a means of translating marketing planning into practice (Bennett, 1997). Marketing mix is not a scientific theory, but merely a conceptual framework that identifies the principal decision making managers make in configuring their offerings to suit consumers' needs. The tools can be used to develop both long-term strategies and short-term tactical programmes (Palmer, 2004). The idea of the marketing mix is the same idea as when mixing a cake. A baker will alter the proportions of ingredients in a cake depending on the type of cake we wishes to bake. The proportions in the marketing mix can be altered in the same way and differ from the product to product (Hodder Education, n.d).

The marketing mix management paradigm has dominated marketing thought, research and practice (Grönroos, 1994), and “as a creator of differentiation” (Van Waterschoot, n.d) since it was introduced in 1940s. Kent (1986) refers to the 4Ps of the marketing mix as “the holy quadruple...of the marketing faith...written in tablets of stone”. Marketing mix has been extremely influential in informing the development of both marketing theory and practise (Möller, 2006).

The main reasons the marketing mix is a powerful concept are It makes marketing seem easy to handle, allows the separation of marketing from other activities of the firm and the delegation of marketing tasks to specialists; and - The components of the marketing mix can change a firm’s competitive position (Grönroos, 1994). The marketing mix concept also has two important benefits. First, it is an important tool used to enable one to see that the marketing manager’s job is, in a large part, a matter of trading off the benefits of one’s competitive strengths in the marketing mix against the benefits of others. The second benefit of the marketing mix is that it helps to reveal another dimension of the marketing manager’s job. All managers have to allocate available resources among various demands, and the marketing manager will in turn allocate these available resources among the various competitive devices of the marketing mix. In doing so, this will help to instil the marketing philosophy in the organisation (Low and Tan, 1995).

However, Möller (2006) highlighted that the shortcomings of the 4Ps marketing mix framework, as the pillars of the traditional marketing management have frequently become the target of intense criticism. A number of critics even go as far as rejecting the 4Ps altogether, proposing alternative frameworks.

2. Objective

Since its introduction, developments on the commercial landscape and changes in consumer and organisational attitudes over the last few decades (1940s – 2000s) have frequently prompted marketing thinkers to explore new theoretical approaches and expanding the scope of the marketing mix concept. Number of researchers (eg. Grönroos, 1994; Constantinides, 2002; Goi, 2005; Möller, 2006) explores more ‘P’s instead of traditional 4Ps only currently applied in the market. However, the creation of new ‘P’ seem like unstop. New Ps were introduced into the marketing scene in order to face up into a highly competitively charged environment (Low and Tan, 1995). Thus, the main objective of this study is to review the present marketing mix applies particularly to the marketing.

3. History and Implementation of Marketing Mix

Borden (1965) claims to be the first to have used the term “marketing mix” and that it was suggested to him by Culliton’s (1948) description of a business executive as “mixer of ingredients”. An executive is “a mixer of ingredients, who sometimes follows a recipe as he goes along, sometimes adapts a recipe to the ingredients immediately available, and sometimes experiments with or invents ingredients no one else has tried” (Culliton, 1948).

The early marketing concept in a similar way to the notion of the marketing mix, based on the idea of action parameters presented in 1930s by Stackelberg (1939). Rasmussen (1955) then developed what became known as parameter theory. He proposes that the four determinants of competition and sales are price, quality, service and advertising. Mickwitz (1959) applies this theory to the Product Life Cycle Concept.

Borden’s original marketing mix had a set of 12 elements namely: product planning; pricing; branding; channels of distribution; personal selling; advertising; promotions; packaging; display; servicing; physical handling; and fact finding and analysis. Frey (1961) suggests that marketing variables should be divided into two parts: the offering (product, packaging, brand, price and service) and the methods and tools (distribution channels, personal selling, advertising, sales promotion and publicity). On the other hand, Lazer and Kelly (1962) and Lazer, Culley and Staudt (1973) suggested three elements of marketing mix: the goods and services mix, the distribution mix and the communication mix. McCarthy (1964) refined Borden’s (1965) idea further and defined the marketing mix as a combination of all of the factors at a marketing manager’s command to satisfy the target market. He regrouped Borden’s 12 elements to four elements or 4Ps, namely product, price, promotion and place at a marketing manager’s command to satisfy the target market.

Especially in 1980s onward, number of researchers proposes new ‘P’ into the marketing mix. Judd (1987) proposes a fifth P (people). Booms and Bitner (1980) add 3 Ps (participants, physical evidence and process) to the original 4 Ps to apply the marketing mix concept to service. Kotler (1986) adds political power and public opinion formation to the Ps concept. Baumgartner (1991) suggests the concept of 15 Ps. MaGrath (1986) suggests the addition of 3 Ps (personnel, physical facilities and process management). Vignalis and Davis (1994) suggests the addition of S (service) to the marketing mix. Goldsmith (1999) suggests that there should be 8 Ps (product, price, place, promotion, participants, physical evidence, process and personalisation).

Möller (2006) presents an up-to-date picture of the current standing in the debate around the Mix as marketing paradigm and predominant marketing

management tool by reviewing academic views from five marketing management sub-disciplines (consumer marketing, relationship marketing, services marketing, retail marketing and industrial marketing) and an emerging marketing (E-Commerce) (Table 1-6). Most of researchers and writers reviewed in these domains express serious doubts as to the role of the Mix as marketing management tool in its original form, proposing alternative approaches, which is adding new parameters to the original Mix or replacing it with alternative frameworks altogether.

4. Criticise on Marketing Mix

4Ps delimits four distinct, well-defined and independent management processes. Despite the consistent effort by many physical businesses to deal with the 4P in an integrated manner, the drafting but mainly the implementation of the P policies remains largely the task of various departments and persons within the organisation. Even more significant thought is the fact that the customer is typically experiencing the individual effects of each of the 4Ps in diverse occasions, times and places, even in case that some companies take great pains to fully integrate their marketing activities internally (Constantinides, 2002; Wang, Wang and Yao, 2005). However, a study by Rafiq and Ahmed (1995) suggested that there is a high degree of dissatisfaction with the 4Ps framework. Even, Overall these results provide fairly strong support Booms and Bitner's (1981) 7P framework should replace McCarthy's 4Ps framework as the generic marketing mix. Development of marketing mix has received considerable academic and industry attention. Numerous modifications to the 4Ps framework have been proposed, the most concerted criticism has come from the services marketing area (Rafiq and Ahmed, 1995).

The introductory marketing texts suggest that all parts of the marketing mix (4Ps) are equally important, since a deficiency in any one can mean failure (Kellerman, Gordon and Hekmat, 1995). Number of studies of industrial marketers and purchasers indicated that the marketing mix components differ significantly in importance (Jackson, Burdick and Keith, 1985). Two surveys focused on determination of key marketing policies and procedures common to successful manufacturing firms (Jackson, Burdick and Keith, 1985). Udell (1964) determined that these key policies and procedures included those related to product efforts and sales efforts. This followed in order by promotion, price, and place. In a replication of this survey, Robicheaux (1976) found that key marketing policies had changed significantly. Pricing was considered the most important marketing activity in Robicheaux's (1976) survey, although it ranked only sixth in Udell's (1964) survey. Udell (1968) found that sales efforts were rated as most important, followed by product efforts, pricing, and distribution. LaLonde (1977) found product related criteria to be

most important, followed by distribution, price, and promotion. Perreault and Russ (1976) found that product quality was considered most important, followed by distribution service and price. McDaniel and Hise, (1984) found that chief executive officers judge two of the 4 Ps, pricing and product to be somewhat more important than the other two – place (physical distribution) and promotion. Kurtz and Boone (1987) found that on the average, business persons ranked the 4 Ps to be of most importance in the following order: price, product, distribution, and promotion. Thus, it appears from these studies that business executives do not really view the 4 Ps as being equally important, but consider the price and product components to be the most important (Kellerman, Gordon and Hekmat, 1995).

The concept of 4Ps has been criticised as being a production-oriented definition of marketing, and not a customer-oriented (Popovic, 2006). It's referred to as a marketing management perspective. Lauterborn (1990) claims that each of these variables should also be seen from a consumer's perspective. This transformation is accomplished by converting product into customer solution, price into cost to the customer, place into convenience, and promotion into communication, or the 4C's. Möller (2006) highlighted 3-4 key criticisms against the Marketing Mix framework:

- The Mix does not consider customer behaviour but is internally oriented.
- The Mix regards customers as passive; it does not allow interaction and cannot capture relationships.
- The Mix is void of theoretical content; it works primarily as a simplistic device focusing the attention of management.
- The Mix does not offer help for personification of marketing activities.
- A review of another article, "Revision: Reviewing the Marketing Mix" (Fakeideas, 2008) found that:
- The mix does not take into consideration the unique elements of services marketing.
- Product is stated in the singular but most companies do not sell a product in isolation. Marketers sell product lines, or brands, all interconnected in the mind of the consumer
- The mix does not mention relationship building which has become a major marketing focus, or the experiences that consumers buy.
- The conceptualisation of the mix has implied marketers are the central element. This is not the case. Marketing is meant to be 'customer-focused management'.

Even, a study by Rafiq and Ahmed (1995) found that there is a high degree of dissatisfaction with the 4Ps, however, 4Ps is thought to be most relevant for introductory marketing and consumer marketing. The result also suggests that

the 7Ps framework has already achieved a high degree of acceptance as a generic marketing mix among our sample of respondents. Rafiq and Ahmed (1995) also highlighted the strengths and weaknesses of the 4Ps and 7Ps mixes.

5. Conclusion

Marketing mix management paradigm has dominated marketing since 1940s and McCarthy (1964) further developed this idea and refined the principle to what is generally known today as the 4Ps. However, in the post dot-com boom, marketing managers are learning to cope with a whole host of new marketing elements that have emerged from the online world of the Internet. In some ways these new marketing elements have close analogs in the offline world, and yet from another perspective they are revolutionary and worthy of a new characterisation into the E-Marketing mix (or the e-marketing delta to the traditional marketing mix) (Kalyanam and McIntyre, 2002).

Marketing mix used by a particular firm will vary according to its resources, market conditions and changing needs of clients. The importance of some elements within the marketing mix will vary at any one point in time. Decisions cannot be made on one element of the marketing mix without considering its impact on other elements (Low and Kok, 1997). As McCarthy (1960) pointed out that “the number of possible strategies of the marketing mix is infinite.

Even number of criticisms on 4Ps, however, it has been extremely influential in informing the development of both marketing theory and practise. There is also too little reflection on the theoretical foundations of the normative advice found in abundance in the text books (Möller, 2006). Marketing mix was particularly useful in the early days of the marketing concept when physical products represented a larger portion of the economy. Today, with marketing more integrated into organisations and with a wider variety of products and markets, some authors have attempted to extend its usefulness by proposing a fifth P, such as packaging, people and process. Today however, the marketing mix most commonly remains based on the 4 P's. Despite its limitations and perhaps because of its simplicity, the use of this framework remains strong and many marketing textbooks have been organised around it (NetMBA, n.d). In spite of its deficiencies, the 4Ps remain a staple of the marketing mix (Kent and Brown, 2006).

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