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Marketing Mix for Next Generation Marketing

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Abstract

Marketing mix has undergone a sea change in last few decades. Every stake holder involved in the marketing process looks for 'Value'. The customer enters in the marketing process for better 'value' for his money through 'Value to Customer'. The marketers would like to concentrate on the 'valued customer'. The prime objective of any business is to sought value from the business 'value to the marketer'. The marketer and customer would like to keep society's interest intact through 'Value to society'. The new marketing mix model even though is at conceptual level but it certainly answers many questions of modern marketers which are not answered by traditional theories of marketing mix.

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1. Introduction

Marketing is a matching process, one that pairs the capabilities of a company and the wants of the customers. The creation and delivery of unique value to prospective customers and acquire a sustained competitive advantage is of prime importance in marketing. Marketing mix is a tool used for effective marketing for decades.

Marketing mix is originating from the single P (price) of microeconomic theory (Chong, 2003). McCarthy (1964)

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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.

2. Need for new marketing mix model

Since its introduction, marketing mix has been modified due to changes in consumer and organisational attitudes over the last few decades (1970s – 2010s) have frequently prompted marketing thinkers to explore new theoretical approaches and expanding the scope of the marketing mix concept. Number of researchers like Grönroos, 1994; Constantinides, 2002; Goi, 2005; Möller, 2006) explored more ‘P’s instead of traditional 4Ps only. Dr. Bob Lauterborn, a professor at the University of North Carolina, has proposed 4Cs. instead of 4 Ps .The 4 C’s model of marketing is more consumers oriented because of its focus on consumers, but it is mainly used for Niche Marketing. In the age of internet time, the "4 C's" is also facing some dilemma and a new marketing tool of "4 V's" is being contemplated for application. The” 4V’s”are Validity, Value, Venue and Vogue. Constantinides came out with 4S model (web-marketing model, WMM). It describes web marketing strategy with four elements begin with ”S” including scope, site, synergy and system.

However, the creation of new ‘4P’, ‘4C’, ‘4S’ and 4`S`s could not offer the most appropriate marketing mix tool to the practitioners which will be mutually beneficial to customers and marketers. Every stake holder involved in the marketing process looks for `Value`. The customer enters in the marketing process for better `value` for his money through `Value to Customer`. The marketers would like to concentrate on the `valued customer`. The prime objective of any business is to sought value from the business `value to the marketer`. The marketer and customer would like to keep society`s interest intact through `Value to society`.

So there is need to study entire marketing process through approach of 4 Values Model to add entirely new dimension to strategic marketing.

3. Literature review

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 proportions in the marketing mix can be altered and differed 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 practice

(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 organization (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.

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4. Inadequacy of existing models

The “4 Ps” (Price, Promotion, Place, and Product) proposed by Jerome McCarthy in the 1950s are the cornerstone of modern “marketing mix” for some time. Candidly, the 4 Ps are a bit out of date as the 4 Ps look at marketing from the provider’s point of view rather than from the customer perspective. In the new millennium, the customer is in charge and demands to be served their way, when they want it, and where they want. Dr. Bob Lauterborn, a professor at the University of North Carolina, gets it. He thinks that we need to toss out the 4 Ps. He contends that there are actually 4 Cs. In current dynamic cage, the “4 C’s” is also facing with some dilemma and to overcome this dilemma a concept of “4 V’s” was contemplated. “4 V’s” also has faced a criticism due to its limitations such as static approach and lacks dynamism. “4V’s” do not consider the element of Value to the customer, Value to the marketer and Value to society.

All these limitations necessitate entirely a new approach and perspective to study current marketing process from the perspective of Value.

5. Proposed 4 Values Model

This is purely a conceptual model of Marketing mix namely 4 Values Marketing which needs to be tested in the market.

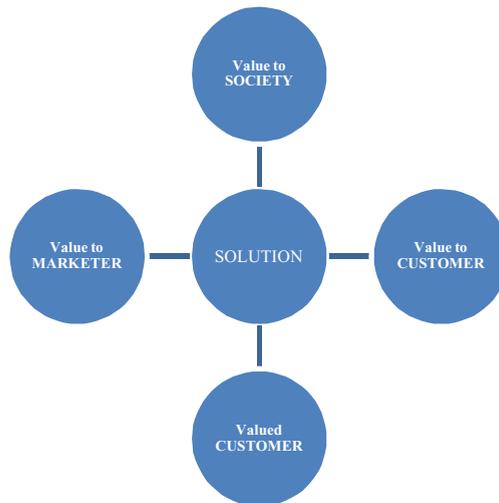


Fig. 1 Four Values Marketing

(1) **Valued customers**– It is very important and imperative to know **‘who is your customer’** and one can reach to the answer to question whom to serve by identifying the customer through strategic segmentation. Low Cost Carriers (LCCs) serves passengers, who pay from their own pockets. Tata Motors is offering its car NANO to those customers who are looking for 4 wheeler comfort at 2 wheeler cost. Valued customers concept is borrowed from 3Vs theory proposed by Nirmalya Kumar.

(2) **Value to the customers**– ‘What is being offered to customer’ it includes value proposition offered to customer but the marketer has to go beyond value proposition. Instead of offering merely a product or service to customer the marketer needs to offer a solution to customer’s problem in totality. The products like Nano and iPhone offer solution to the customer at appropriate price. Apple offers complete package along with its most of the applications freely and updates newly developed application freely most of the time. Even though Apple products are costlier than the competitors similar product but the Apple customers get value for their money due to brand value and social status. Nano owners get solution to their discomfort of two-wheeler drives at higher cost than that of two-wheeler but much lower than other four wheelers. LCCs do not offer meals, pre-assigned seating, business class, frequent flyer miles, but offers air travel service. The customer friendly delivery system without any additional cost or at nominal cost adds value to the customers.

(3) **Value to society** – ‘What is being offered to society’. Marketing offers benefits to society by informing and educating consumers. It may be done with persuasive intent, but it generally begins with customers need and satisfaction of the need, it results in to need based product creation and product marketing. Marketing also include more practical information to assist in making a purchase, such as addresses, phone numbers, product release dates, store hours and Web addresses which results in optimizing customer resources and time. The brand image and brand equity helps customers to rely on trusted brands and the consistency that comes from brand loyalty. The value to society allows consumers to make informed decisions without as many risks. Marketing of qualitative and standard and safe products enhances society's well-being as a whole. Marketers need to concentrate on “social good”, even though he is in "commercial marketing". An environmentally safe product which protects environment is the biggest gain to society in modern marketing.

(4) **Value to the marketer** – “What it bring to marketer”. The marketer markets the products and services to fetch profit, but it also create brand value and brand equity, corporate image for marketer. The tangible and intangible benefits fetched by product or services are prime importance to the marketer for survivor and competitive advantages. In the era of social media these tangible and intangible assets plays important role in making an organisations successful or otherwise.

Significance of the proposed 4 Value`s Marketing Mix Model

- **Moving towards strategic segmentation-** In contrast to the 4Ps, 4Vs, and 4Cs, 4Values changes the focus of marketing to be more strategic, cross-functional, and bottom line oriented. Understanding strategic segmentation and then conceptualizing and responding to them using the 4Vales model helps to confront some critical strategic issues facing companies. First, it gets marketing out of its tactical orientation. In contrast to the 4Ps, the 4vales changes the focus of marketing to be more strategic, cross-functional, and bottom line oriented. This is what companies are demanding from their marketers.
- **Differentiated values for different** - The model helps companies to conceptualize an essential question while serving two different segments: where do we build the differentiation in the offer to the segments.
- **Scope for innovation in marketing** - Marketing innovation can be fostered by continuously asking questions along the line of 4Values.Are there customers who are unhappy with the industry or not served at all? What attributes does the industry currently offer that could be eliminated or what new attributes could be offered to customers for the first time? Is it possible

to develop a radical product that would either offer a much superior solution for the customer and/or a much lower cost?

- **Societal approach gains significant importance** - In the era of pollution and Green Gas the environment friendly and safe products are of prime importance to society. By enlarging your perspective beyond the customer to society in general will go long way in making an organisations society friendly.
- **Academic research** -The new 4Vales model will offer an opportunity to the academicians and researchers to study marketing from new perspective.
- **All together a new perspective of customer from the value perspective for practitioners**–Practitioners can certainly get a new perspective of marketing which will certainly bring holistic approach in marketing

6. Conclusion

The 4 Values model even though is at conceptual level but it certainly answers many questions of modern marketers which are not answered by traditional theories of marketing mix. The new approach will attract the academicians to study model further and for practitioners it will help in understanding customers in more focused way and satisfy their needs holistically.

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