



Marketing Mix Concept: Blending the Variables to Suit the Contemporary Marketers

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Abstract: *The contemporary marketer is a mixer of ingredients – one who blends some variables to offer customer satisfaction in an environmentally friendly way. These variables, traditionally known as the 4Ps of Marketing, have been in existence for more than five decades now, and obviously can no longer meet the demands of the contemporary marketer in this ever changing environment if it is not modified. This paper, therefore, looks at the traditional marketing mix variables (4Ps); the extension of 4Ps to 5Ps, the 7 Ps of Service Marketing; retooling the 4Ps to suit B2B Marketing; converting the 4Ps to 4Cs; shifting from 4Cs to the Compass Model (7Cs); replacing the 4Ps with the 4Es and the new 4Cs of Small Business Marketing. It further unveils the marketing implications of these innovative and strategic marketing mix variables. Being a conceptual work, the library forms the bedrock of information repository of this work. The paper does not recommend a paradigm shift from the traditional 4Ps of marketing to these relatively new variables, but a blending of both to face the multifaceted challenges of marketing in our dynamic world. This would ultimately build a lasting relationship with customers, which translates to customer life time value.*

Key words: *Marketing, Marketing mix, Marketing mix extension, compass model*

INTRODUCTION

Marketing is an old profession. It is believed to have started from the beginning of creation when God conducted marketing research to unveil the value to offer to the world so as to create satisfaction and enduring relationship. Thus, God created the heavens and the earth, the moon and stars, the night and day, the waters, the birds of the earth, etc- all for the satisfaction of man. If God started it, then it is not out of place to see banks, insurance companies, hospitals, hotels, and even churches practice it. What then is marketing?

Marketing has litany of definitions, but for the purpose of this paper, only one definition shall be cited. Kotler and Armstrong (2006) define marketing as a social and managerial process by which individuals and groups obtain what they need and want through creating and

exchanging value with others.

From the definition above, it is obvious that marketing creates value. This value is not created without the marketer understudying the consumer to know what he needs and wants, how he wants it, where he wants it, among others. The moment the marketer researches to understand his target, he blends some marketing tools that help him to design his marketing programs. Borden, according to Banting and Randolph (2011) conceptualized what we know as the marketing mix concept. According to these authors, Borden learnt this from an associate, James Culliton, who in 1948, described the role of a marketing manager as a “mixer of ingredients, one who sometimes follows recipes prepared by others, sometimes prepares his own recipe as he goes along, sometimes adapts recipe from immediately available ingredients, and at other times invents new ingredients no one else has tried.”

The marketing mix is not a scientific theory, but a conceptual framework which highlights the principal decisions that the marketing manager’s makes in configuring their offerings to suit customers’ needs. The tools can be used to develop both long term strategies and short term tactical programs (Palmer, 2004). However, marketing mix has been extremely influential in informing the development of both marketing theory and practice (Möller, 2006).

Though Borden conceptualized the marketing mix concept, it was not popular till McCarthy in 1960 coined the variables into mnemonics called the 4Ps of marketing. Kotler and Armstrong (2006) define the marketing mix as the set of controllable, tactical marketing tools that the firm blends to produce the response it wants in the target market. Similarly, Berkowitz, Kerin, Hartley and Rudelius (1997) define the marketing mix as the marketing manager’s controllable factors the marketing actions of product, price, promotion, and place that he or she can take to solve a marketing problem.

McCarthy (1981) also sees the marketing mix as the controllable variables which a company puts together to satisfy its target market. Concurring, Agbonifoh, Ogwo and Nnolim (1998) define the marketing mix as that combination of product, price, promotion and distribution utilized by a marketer or company to address a target market during a given period.

Going by the definitions above, three points are glaring:

- The marketing mix is made up of the controllable variables;
- Organizations use the marketing mix to solve marketing problems;
- They also use it to relate with and satisfy target markets.

The 4Ps, according to McCarthy, are: Product, Price, Place and Promotion.

Product - the firm considers the tangible and intangible attributes of a product: the colour, packaging, size, quality level, installations, etc.

Price - the firm considers the cost of the product, what others are offering, what the target market is ready to accept, discount variants, product

life cycle, geographic terms, etc.

Place - the firm strives to take the product to where the customer needs it. Basic considerations include: channel members, channel types, location of stores, channel management, salesforce recruitment and management, etc.

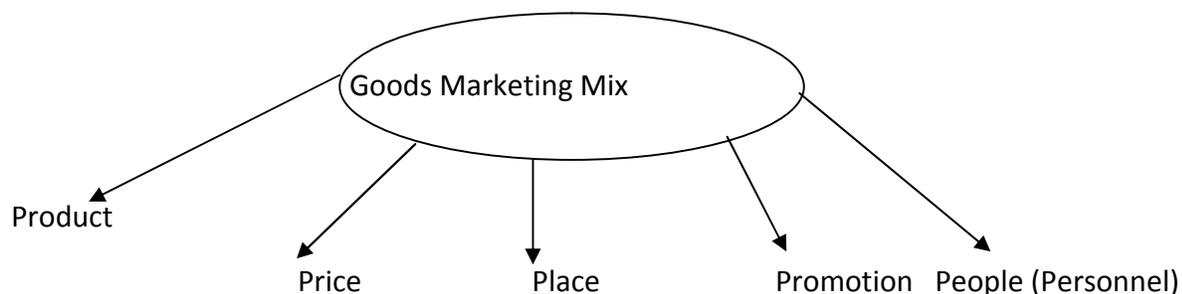
Promotion – the firm makes effort to communicate its offerings to the customers.

Issues under consideration: direct marketing, advertising, sales promotion, personal selling, publicity/public relations, etc. Beyond these, the firm looks at how the product, price and place communicate and what they communicate to the public.

While some scholars believe in McCarthy's 4Ps till date, others criticize and suggest that it should be discarded having been used for about five decades now. Yet, some strongly believe that it should be retooled given our dynamic marketing environment. Are these beliefs built on concrete premises? Are there other marketing tools for replacement? What proactive action should the marketer take to offer the desired level of satisfaction to his customers and ultimately build lasting relationship with them given our dynamic environment? These are the focus of this paper.

EXTENSION OF 4PS TO 5PS

Surprisingly, Anyanwu (2012) suggests the extension of 4Ps to 5Ps. The fifth P, according to him is People (Personnel). In his view, "People are needed to drive the 4Ps – Product, Price, Place and Promotion, as it takes the driver to activate a bus to come alive, otherwise it remains static." He further asserts that creative, knowledgeable, professional and committed personnel are required to articulate the nature of goods that will be made available to the consumers; the appropriate price that will satisfy the parties involved; the outlets and other logistics necessary to make the goods available to the consumers to buy the goods. Personnel involvement in commercial marketing could be limited to the planning and decision making stages or behind the scene activities. The model below captures the extension of the marketing mix by Anyanwu:



The 5 Ps of Marketing of Goods

Source: Anyanwu (2012). **Political Marketing as Instrument of Improved Governance in Nigeria** – Inaugural Lecture, Serial No. 9, Imo State University, Owerri.

EXTENSION OF 4PS TO 7PS

The four Ps concept was seriously criticized by many marketing scholars especially as it concerns the marketing of services. In consideration of the peculiar nature of services, Boom and Bitner in 1981 as cited by Mamoun (2011) came up with 3 new Ps that serve as powerful tools for the marketing of services. These additional 3Ps together with McCarthy's 4Ps form the 7Ps of service marketing. They are: Product, Price, Place, Promotion, Process, Physical evidence and People. Process describes the hurdle the consumer scales through to get a company's product; physical evidence represents those things on ground that give the consumer the confidence that the organization will deliver the desired value; people represent the personnel that set the machinery in motion for the organization to carry out its marketing activities. A prospect that wants to lodge in a hotel, for instance, would look out for structures put in place for his security and comfort (physical evidence); the hurdles he has to scale through to book a room, order his food from the restaurant there and so on (process) and finally the quality of personnel employed (people). These 3Ps, in addition to the 4Ps, form the 7Ps of service marketing.

RETOOLING THE 4PS FOR B2B

Ettenson, Crurado and Knowles (2013) opine that the 4Ps of marketing serve consumer product marketers and have little to offer to the B2B world. These authors see the 4Ps as propelling marketing and sales team to stress product technology and quality as core differentiating factors, as against offering solution to industrial buyers who are rational. Having conducted a five year study that involved more than 500 managers and customers in multiple countries and across a wide range of B2B industries, the authors found the need to retool the 4Ps of marketing, hence the new concept, **SAVE**. The mnemonic, suggests a shift from:

Product to Solution

Place to Access

Price to Value

Promotion to Education

PRODUCT TO SOLUTION

The industrial buyer is a rational buyer, who pays little or no attention to frivolities. He buys solution (core benefit) and not just aesthetics. Therefore, B2B marketers should emphasize solution as they exploit the market as a trusted source of diagnostics and advice to industrial buyers.

PLACE TO ACCESS

One way of shifting from brick and mortar marketing, which is fast phasing out is for marketers to make themselves accessible to their buyers. Creating this access behooves that time gap, geographic gap, cultural gap, among others must be bridged for the players to come together. Where a customer resides does not necessarily matter since the world is now a global village.

PRICE TO VALUE

The 4Ps appear to project price from the producer's angle, but value makes it obvious for one to see what the rational buyer gets from the exchange transaction. The customer expects value as he gives out his hard earned money. In that case, the contemporary marketer intensifies efforts to see that he delivers this desired value and lots more. If this value is delivered, the customer may not bother to check what he pays in return.

PROMOTION TO EDUCATION

The industrial buyer does not need the communication alone. He needs the desired level of education that will help him put into appropriate use whatever product he buys for production. Education empowers the industrial buyer as it helps him take rational purchase decisions.

CONVERSION THE 4PS TO 4CS

According to Arpan (2011), Lauterborn proposed a 4Cs classification to address the growing focus of marketing strategists on the consumer in 1993. The 4Cs are: Consumer solution, Cost, Communication and Convenience. The 4Cs concept is a more consumer oriented version of the 4Ps that tries to address core consumers' issues. Lauterborn advocates a conversion from:

Product to Consumer solution (What value are you offering the consumer?)

Price to Customer cost (What cost does the consumer incur as he obtains, uses and disposes of your product?)

Promotion to Communication (Are you getting the desired feedback as you communicate with the consumer?)

Place to Convenience (How convenient is it for consumers to get or use your product?)

From Lauterborn's 4Cs, it is obvious that the model is customer-centric. The 4Cs definitely, would spur marketers to design marketing programs that will ensure the satisfaction of the ultimate consumer. Building relationships is the key and so the 4Cs concept also helps the contemporary marketer to actualize this.

SHIFTING FROM 4CS TO 7CS

Having dissected the 4Cs, additional 3Cs were added to form what Shimizu branded the 7Cs Compass model. According to Shimizu (2009), the compass model, which comprise of controllable and uncontrollable variables, helps the marketer to relate positively with his customers.

FRAMEWORK OF 7CS COMPASS MODEL

According to Schimizu (2009), the following form the framework of the compass model:

1. Corporation and Competitor

The core of 4Cs is corporation while the core of 4Ps is customer - they are the targets for the actions of the attack or defense. 4Ps appears to be customer-oriented. However, in

reality the decisions are made by the companies or corporations. Therefore, the marketing activities of a company should be encircled by the consumers or citizens as people who make the requests. From the model below, it appears as if the corporation is the central focus since the consumer is placed outside the inner chord, but the arrangement of the customer on the figure like this is due to three reasons: (1) the company is encircled by the customers; (2) the company is the centre to execute the marketing activities; 3) the company is encircled by the consumers instead of just the customers.

There are other companies in the market who are in the same business. The activities of these competitors cannot be ignored and so are seen as a vital element of the 7Cs compass.

2. Commodity

This refers to what the company offers its market for the satisfaction of their needs and wants. It is the solution to the consumer's problem.

3. Communication

Marketing communication is not a one-way thing. There should be a two-way communication between the company and its customers. This projects the need for user/consumer feedback from the market to the company and this is done by opening up communication channels with customers and ensuring that they are heard. This is what makes it possible for lasting relationship to be built.

4. Channel

The emphasis here is how the consumer gets the solution to his problem given the fast disappearance of brick and mortar marketing in today's world. Access should be intuitive and easy.

5. Cost

Marketers must think beyond the price of the product, and consider the actual cost to the consumer, including the time and energy costs to find, acquire and maintain the product.

6. Consumer

Consumers are those people encircling the companies. Instead of just the customers of 4P marketing model, they are the ordinary citizens nurtured by the motto of consumerism. They also include customers and potential customers. Consumer related factors can be explained by the first characters of the four cardinal directions of the compass: N = Needs, W = Wants, S = Security and E = Education.

- a. Needs - analyze what the consumer needs. 'Needs' are the unsubstantiated opinions, some of which cannot be converted to concrete commodities. Companies can offer more alternatives to meet the various needs of the consumers;
- b). Wants - the substantiated opinions to meet the expected needs accordingly. Companies need to place more emphasis on the biggest needs and wants.

c). Security - the safety of the commodities, the safety of the production process and the adequacy of the warranty and after-sell services.

d). Education – consumers' right to know the information about the commodities; their right to safety, their right to be heard, etc.

7. Circumstances

Besides the customers, there are also various uncontrollable external factors encircling the companies. Like the consumer factors, they can also be explained using the first character of the four cardinal directions of the compass: N = National /International, W=Weather, S = Social and cultural, E = Economic.

a. National and International Circumstances

International or global companies have to contend with both national and international uncontrollable variables like political, legal, economic variables among others. The companies have no other choice than to adapt to these uncontrollable factors.

b. Weather

Despite technological advancement, the weather and natural environment still remains uncontrollable. For most of the natural disasters, the companies can do little but try to predict when they will happen and adjust their marketing plans. However more can be done to avoid the disaster caused by human, like environmental pollution.

c. Social and Cultural Circumstances

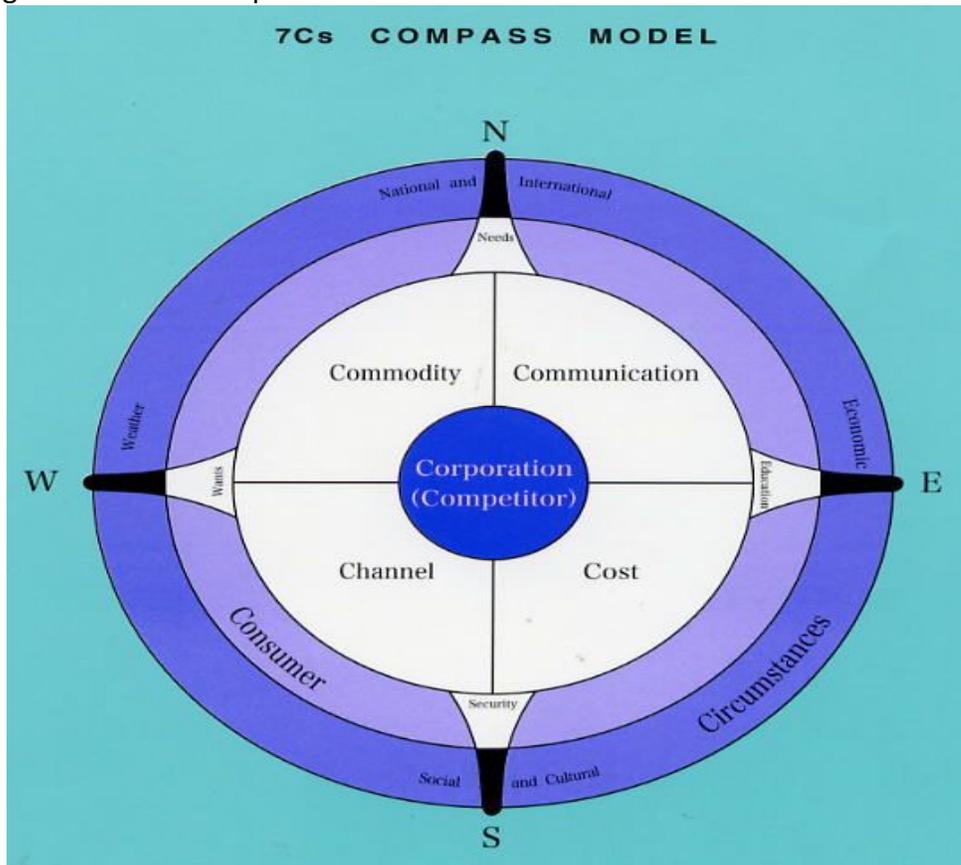
Social Circumstance is related to the social system and problems of a nation. When exploring an international market, it is imperative to study the way of life of the people in that nation. Marketing analysis should include the following socio-cultural factors:

- 1) basic values and attitudes
- 2) motivation
- 3) learning capacity and achievement orientation
- 4) technical know-how
- 5) social discipline
- 6) sense of responsibility for the good of the community
- 7) capacity for flexible adaptation to a changing environment

Economic Circumstances

No business operates in a vacuum. It thrives within the economy of the nation where it operates. Hence, the economic policies of such nation will definitely affect the business. Therefore, the marketer should pay adequate attention to the economic policies of the

government of the place where it



Source ·· Koichi Shimizu (2009) "Advertising Theory and Strategies,"16th edition; Japan, Souseisha Book Company.

The marketing mix is a set of controllable variables - not uncontrollable variables as captured by the model, so it may not be out of place for one to say that Shimizu strayed by roping in the uncontrollable variables, which is beyond the scope of the marketing mix concept. However, his model is all embracing and should be dissected critically to make maximum impact. Suffice it to say that marketers should also take their task and uncontrollable variables into cognizance as they design their marketing programs not minding that they do not form part of the marketing mix variables as proposed by other 'marketing gurus'.

REPLACING THE 4PS OF MARKETING WITH THE 4ES

The 4Ps have made waves even after some decades of its conceptualization despite the dynamic nature of our environment. The era of making the best mousetrap and seeing the consumer beat their way to the producer's place is gone. Customers get so sophisticated by the day that what proved potent today in our highly volatile environment may not yield the desired

level of satisfaction tomorrow. They know what they want and are not ready to part with their valuables in a hurry if they fail to get the desired satisfaction despite the marketer's strategies in most cases. As the consumer gets so sophisticated and the competition gets hotter, it becomes glaring that the four Ps are obviously inadequate to be adopted as Marketing Mix Elements. Hence Ogilvy and Martha (2010) suggest a replacement of the 4Ps with the 4Es. According to these authors, the 4Ps should be changed thus: from

Product to Experience

Place to Everywhere

Price to Exchange

Promotion to Evangelism

FROM PRODUCT TO EXPERIENCE

Laying emphasis on the product is similar to the concept of making a better mouse trap that is likened to marketing myopia. The marketer should emphasize experience. He should find out what the consumer needs/wants, how he wants it, where he needs it, how he gets it, who influences him, what happens after his purchase, among others. This is more than just a product – it is an experience which the marketer needs to have for him to deliver and also get the desired value.

FROM PLACE TO EVERYPLACE

Today's consumers are ubiquitous. They are on Facebook, WhatsApp, Twitter, To go, along the streets, in the offices, etc. Who knows if they would, one day, be concentrated in the space? Probably, that is why a Canadian Space Agency astronaut, Chris Hadfield shot his music in the space, probably, preparatory to such move! Marketers should know that the days of brick and mortar marketing are gone, so they need to be everywhere to reach their target. That explains why most banks today use various media to reach their customers. Education service providers are also exploiting this concept.

FROM PRICE TO EXCHANGE

Marketers in the past used to emphasize price as this is the only element of the marketing mix of old that generates income. Today, there is a paradigm shift from price to exchange. Marketing oriented firms now emphasize value creation. As the organisation delivers value to the consumer, so will the consumer give back value to the organisation. This equitable exchange is what marketers are expected to uphold.

FROM PROMOTION TO EVANGELISM

Every marketer is expected to be on an evangelistic mission – inspiring and 'winning' customers to his firm. Evangelism is a very good way of creating a brand experience that drives the consumer to get close to the marketer and also share his enthusiasm with others. Evangelism is passion driven and this is what makes it unique. A marketer should see a prospect as an

unbeliever and be ready to evangelize till he 'gives his life' to his brand. Ads should evangelize; sales people should be on it; the right appeal has to be made as the evangelistic mission is carried out. A good example is the Sterling Bank advert.

THE NEW 4CS OF SMALL BUSINESS MARKETING

Having seen the 4Ps, 5Ps, 7Ps, 4Cs, 7Cs, and 4Es – all appear not to be addressing the marketing challenges of the entrepreneur. Entrepreneurship is one area where the government of our country is struggling to make a mark, so small business marketers need to adopt the new 4Cs conceptualized by Farmer (2011). The 4 Cs are Connections, Conversation, Credibility and Creativity.

Connections – This could come from referrals, linkedin, business cards harvested from past events, facebook, etc.

Conversation – This could be via social media, workshops, seminar, etc.

Credibility - Do what you say; Be consistent; Don't oversell.

Creativity – Present what you do differently in a way to attract people's attention; Use strong imagery; Think benefits – not features only.

MARKETING IMPLICATIONS

The 4Ps, 5Ps, 7Ps, 4Cs, 7Cs, 4Es and SAVE are not just ways of playing with letters – they are formidable tools which the ter should not treat with levity as he carries out his marketing activities. The foundation remains the Product, Price, Place and Promotion, but these should also be seen from the consumer's angle which the 4Cs represent (Customer solution, Customer cost, Communication and Convenience) given our volatile environment. It should not stop there! The marketer should see the 4Es as a proactive measure to drive home his point - customer satisfaction. This is done by seeing the product as not just a product, but an experience; price as exchange; place as everywhere; and promotion as evangelism. This, definitely, makes the marketer's task more challenging in this dynamic world. The entrepreneur and the industrial marketer are not left out here. The 4Cs (Connections, Conversation, Credibility and Creativity) and SAVE (Solution, Access, Value and Education) should be appropriated to address the contemporary marketers' issues. It is only when the right tools are rightly used that the right values will be delivered and obtained accordingly. The marketing mix, therefore, is neither an issue of holding the 4Ps tenaciously, nor replacing it with newer versions, but a matter of blending the old and the new models to make possible the optimal operation of the marketer within our dynamic environment. It is a worthwhile venture to ruminate on these new models, which have not been publicized in our marketing literature. After all, "It's not the strongest of species who survive, nor the most intelligent, but the one most responsive to change."- Charles Darwin

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