

The Fall of the Marketing Mix: A Paradigm Shift Needed?

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The concept of the marketing mix was introduced by Neil Borden in the 1950s and the mix of twelve controllable marketing elements was later labelled the 4 Ps of marketing – product, price, place, and promotion – by McCarthy in 1964. The concept of 4 Ps has been criticised by number of studies. However, in spite of its deficiencies, the 4 Ps marketing mix remains the central framework for tackling marketing problems. The objective of this paper is to argue for the marketing mix as an idea to the marketers and can be used as tools to assist them in pursuing their marketing objectives. The paper also critically analyses the status of relationship marketing proposed by some scholars as a new paradigm.

Keywords: *Marketing mix, 4 Ps, marketing paradigm.*

1. Introduction

The concept of the marketing mix developed from a notion of the marketer as a “mixer of ingredients” (Grönroos, 1994, p. 130), which was introduced by Neil Borden in the 1950s (Borden, 1964), and the mix of twelve controllable marketing elements was later labelled the 4 Ps of marketing – product, price, place, and promotion – by McCarthy (1964). Even, Constantinides (2006) presented 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 field e-marketing. The concept of 4 Ps has been criticised by number of studies (e.g., Constantinides, 2006; Grönroos, 1994; Popovic, 2006). Specifically, Grönroos (1994) concluded that the 4 Ps marketing mix has become a straightjacket for marketers and proposed a new concept ‘relationship marketing’ for a future paradigm shift. However, in spite of its deficiencies, the 4 Ps marketing mix remains the central framework for tackling marketing problems. The objective of this paper is to argue for the marketing mix as an idea to the marketers and can be used as tools to assist

them in pursuing their marketing objectives and critically analyse the status of relationship marketing as a new paradigm. To be able to perform such an argument, it is important to first gain a concise understanding of the marketing mix and then examine whether the relationship marketing will become the dominant paradigm and the marketing mix will disappear?

2. The 4 Ps marketing mix

A Customer Behaviour Oriented and Theory Based Framework

McCarthy (1964) offered the ‘marketing mix’, often referred to as the ‘4 Ps’, as a means of translating marketing planning into practice. The marketing mix has been extremely influential in informing

Figure 1. Extension of McCarthy's 4 Ps

4 Ps	4 Cs (v1)	4 Cs (v2)	4 Es
Product	Consumer	Commodity	Experience
Place	Convenience	Channel	Everywhere
Price	Cost	Cost	Exchange
Promotion	Communication	Communication	Evangelism
(People)			
(Process)			
(Physical evidence)			
(Positioning)			
(Packaging)			

the development of both marketing theory and practise (Möller, 2006). The marketing mix is not only a theory but also a conceptual framework that identifies the principal decision making managers make in configuring their offerings to suit consumers' needs. Indeed, the proportions in the marketing mix can be altered in the same way and differ from the product to product and the tools can be used to develop both long-term strategies and short-term tactical programmes (Goi, 2009).

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.

However, the concept of 4 Ps marketing mix has been criticised as being a production-oriented definition of marketing, and not a customer-oriented (Grönroos, 1994; Popovic, 2006). It is referred to as a marketing management perspective.

Specifically, Constantinides (2006) highlighted four key criticisms against the marketing mix framework: it 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, works primarily as a simplistic device focusing the attention of management; and it does not offer help for personification of marketing activities.

Before discussing these points, let's get an in-depth understanding of what the mix actually is. First, it is important to keep in mind that the mix is a normative theory. In essence the developers of the mix approach are trying to solve the problem, how to develop an optimal marketing mix consisting of the product, place, price, and promotion solutions? It essentially involves a number of important sub-problems. That is, optimisation requires objects and outcomes, an optimal solution for whom? Who are the 'target customers'? One can easily recognise that optimisation involves competing for the preferences of a set of consumers. Then optimisation involves a customer classification problem, how to bring in competition into the mix formation?... Definitely,



marketers try to differentiate the mix so that it is more valuable for the target segment(s) than the offers of the competitors. Therefore, the deriving of an optimal marketing mix involves solving a market segmentation problem, being able to carry out marketing positioning analysis, and finally being able to differentiate the mix from the competitors' offers using the target customers' preferences as criteria.

The Framework Remains Strong

For examining the four core criticisms of the marketing mix approach above; first, the mix is internally oriented in the sense that the focus is on solving the question of deriving an optimal marketing offering (mix). However, the mix approach definitely shares the view of the marketing concept that "marketing activities should be based on identification of customer needs and wants" (Constantinides, 2006, p. 411). It goes even beyond this and suggests what kind of explicit information is needed from the customers in order to be able to carry out customer

oriented and customer preferences-based marketing, including customer segmentation, offering differentiation and competitive positioning. Second, is it true, that the mix does not contain a consumer behaviour element, being essentially a normative theory of competitive, customer-based positioning? Though, the application of managerial school of marketing is based on the evolution of strong consumer behaviour research during 1960s and 1970s which helped to apply the propositions to be derived from the theoretical combination of the mix, segmentation, differentiation and positioning (Möller, 2006). Indeed, Kotler (1971), for example, explicitly regarded the marketing mix and market-segmentation as key vehicles through which the marketing concept can be applied in a firm. The mix, segmentation and positioning analysis, and product or offering differentiation, and the techniques developed for these, form the fundamental and integrated theory underlying the

managerial school of marketing (Möller, 2006).

It is certainly that the 4 Ps marketing mix also has its limitations. The mix, assuming primarily independent exchanges between marketers and their customers, is silent about the potential buyer-seller interaction and relationships. It does not imply, however, that the approach supports 'one shot' transactional marketing activities as many of the critics of the mix approach postulate. On the contrary, creating customer satisfaction and loyalty through repeated purchasing and consumption experiences was relatively early recognised as one of the key goals of marketing (Kotler, 1971). From this perspective the so-called 'transactional marketing' is largely a rhetorical label invented in the 'paradigm battle' of the 1990s (Möller, 2006). It is difficult to imagine that any marketer would intentionally try to serve each customer only once! Moreover, the mix is silent about the organisation of marketing activities. This limitation concerns, unfortunately, most theory development within marketing as Möller (2006) claimed "even the services and relationship marketing schools lack theory-based principles concerning organisation, although they pay much more attention to this issue" (p. 444). Further, the 4 Ps marketing mix is relatively silent about its treatment of strategic issues. Clearly, this concerns corporate strategy and is never the primary focus of the developers of the mix approach. Finally, the mix is silent about both the content and process of personalisation referred to interactive communication in



using various channels varying from person-to-person interaction to e-channels, and to varying of the message content and channels per customer. One might, however, pose a question whether even the relationship marketing school contains theory-based tools for deriving the content for personalisation?

It is therefore argued that in any deep sense, all normative theories of marketing even in the era of services and the Internet have to rely on consumer behaviour theories and research for more fundamental understanding of consumers. However, as consumer behaviour theories are not formed for building marketing programmes, it may still have some use for the marketing mix approach even under the new relational practices of interactive e-marketing.

3. The era of relationships

A New Paradigm Shift

Traditionally, developments on the commercial landscape and changes in consumer and

organisational attitudes over the past decades have frequently prompted marketing thinkers to explore new theoretical approaches and expanding the scope of the marketing mix concept. Number of researchers (e.g., Constantinides, 2002; Gronroos, 1994; Möller, 2006) explores more 'Ps', even 'Cs' or 'Es' (see the Figure 1), instead of traditional 4 Ps applied in the market. However, the creation of new 'P' seem like unstop. Therefore, marketing mix is referred as "the holy quadruple ... of the marketing faith ... written in tablets of stone" (Kent, 1986, p. 146), even though this theory of marketing is shifting to a new paradigm. The marketing mix and traditional concepts of marketing including services marketing, industrial marketing, and the economy of customer relationship are developing further towards relationship-oriented approach in market (Grönroos, 1996a). This paradigm shift is stated to be relationship marketing. Basically,

relationship marketing focuses mostly on a long-term relationship with its partners spreading in numerous transactions. This mutually beneficial and long-term characteristics of relationship marketing highlights that customer satisfaction is a necessity but the prominent goal should be to establish a long lasting relationship with mutual benefits (Grönroos, 1996b).

Generally, relationship marketing implies the development of long-term relationships between the customers and the suppliers, in order to generate advantages for all those involved and to allow the co-creation of value rather than its unilateral distribution. As opposed to the transaction marketing, where the focus is on attracting new customers and generating as many transactions as possible, relationship marketing aims not only at attracting but also at retaining customers and knowing them better. Therefore, the relational approach to marketing enjoyed a

distinctive attention in the literature and represented the first theoretical development that threatens the supremacy of marketing mix. But, the relational concept is not new for the commercial practices. As Gummesson (2008) stressed the difference between term and phenomenon and said that “relationship marketing is nothing more than a new term used to describe a phenomenon that accompanied commerce since its beginnings” (as cited in Maxim, 2009, p. 289).

Integrating the Mix Framework into the Era

Moreover, some argue that which they call ‘market-based relationship marketing’ covers many sectors of consumer products and services and also some sectors of business marketing (Grönroos, 1994). The key point is that even if customers are involved in longer-term exchange relationships with one or more particular marketers, they can switch and also do so. In a nutshell, market-based relationship marketing can be characterised as the management of the firm’s customer base, where the major challenge is to serve large numbers of customers individually and still profitably. The key managerial tasks concern first and foremost the internal procedures of the company, such as planning marketing activities for regular customers, mastering customer portfolio analyses, using databases and new information technology to manage the customer interface, and restructuring the marketing organisation according to relationship marketing thinking.

Further is the position that relationship marketing might

take within the general marketing theory. Gummesson (2008) argued that relationship marketing and customer relationship management (CRM) represent a new marketing paradigm, a new theory built upon relationships, interactions and networks. He also stated that regarding relationship marketing/CRM as elements that can be added to the traditional marketing management would obstruct these concepts from showing their true value. However, Egan (2008) cited several authors who disagree with the idea that a paradigm shift has occurred as there is a lack of empirical evidence to support it and it is obvious that some big producers of consumer goods continue using primarily the transactional marketing. Thus the advocates of relationship marketing do not completely reject the transactional paradigm. Some are convinced that a certain degree of manipulation, which is typical for this approach, will always be necessary in marketing and that mass marketing will continue to exist, although it will be less dominant (Gummesson, 2008). In addition, Grönroos (2007) recognized that even though the relational approach is possible in any sector, not all clients are interested in developing relationships. In his view, customers may be in a transactional mode (they search for solutions that are pricewise acceptable and do not wish further contact between the transactions), in an active relational mode (when they search for opportunities to interact with the supplier in order to obtain additional value), or in a passive relational mode (those who rarely respond to interaction

invitations but who want to know that they have the possibility to get in contact with the supplier if they want to). It may conclude that the specialized literature presents two different paradigms that share some elements and that will coexist, even if one of them will be dominant.

4. Conclusion

Marketing mix management paradigm has dominated marketing since 1950s and McCarthy (1964) further developed this idea and refined the principle to what is generally known today as the 4 Ps. The marketing mix used by a particular firm will vary according to its resources, market conditions and changing needs of clients. Even number of criticisms on the 4 Ps, the production-oriented, oversimplified framework and toolbox methodology as Gronroos (1994) specifically argued. However, it has been extremely influential in informing the development of both marketing theory and practice. The 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 more Ps. Despite its limitations and perhaps because of its simplicity, the use of this framework remains strong. Clearly, most consumers of mass produced, mass distributed convenience goods are not looking for a relationship with the seller and a mix management approach may well satisfy them better. The true marketing concept is concerned

with mutually satisfying exchange relationship in which both parties get what they want - a win-win outcome that reflects the 'golden rule'. Implementation of this concept/orientation demands the existence of a marketing function and the management of the extended marketing mix. But, as Baker (2002) stated given the variety and complexity of possible exchange relationships, no single solution exists and multiple explanations are to be encouraged ●

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Đào tạo và phát triển... (Tiếp theo trang 82)

4. Kiến nghị

Cần xây dựng chương trình mục tiêu quốc gia phát triển nguồn nhân lực, đặc biệt là nhân lực chất lượng cao. Trong chương trình này cần xác định rõ mục tiêu phát triển toàn diện cả về số lượng và chất lượng nguồn nhân lực, nhất là vấn đề sức khỏe, đào tạo chuyên môn kỹ thuật và tay nghề, ý thức hợp tác trong công việc, thái độ và tác phong của người lao động.

Cần có chính sách xã hội hóa trong lĩnh vực đào tạo, đáp ứng nhu cầu nguồn nhân lực với trình độ cao phù hợp với cơ cấu kinh tế - xã hội của thời kỳ công nghiệp hóa, hiện đại hóa, nâng cao năng lực cạnh tranh và hợp tác bình đẳng trong quá trình hội nhập kinh tế quốc tế, đa dạng hóa chương trình đào tạo trên cơ sở xây dựng một hệ thống liên thông đào tạo phù hợp với cơ cấu trình độ, cơ cấu ngành nghề, cơ cấu vùng của nhân lực và năng lực của các cơ sở đào tạo.

Trong công tác đào tạo nghề, nhà nước nên quan tâm hơn nữa chất lượng dạy nghề gắn với nâng cao ý thức tổ chức kỷ luật lao động và tác phong lao động. Gắn với việc đào tạo theo nhu cầu của người sử dụng lao động, với việc làm trong quá trình chuyển dịch cơ cấu kinh tế, cơ cấu lao động đáp ứng nhu cầu của thị trường lao động. Hình thành hệ thống đào tạo kỹ thuật thực hành, trung cấp chuyên nghiệp, trung cấp nghề để đáp ứng nhu cầu phát triển kinh tế - xã hội, trong đó chú trọng phát triển đào tạo nghề ngắn hạn về đào tạo công nhân kỹ thuật ●

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