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# THE ULTIMATE THEORY OF THE MARKETING MIX: A PROPOSAL FOR MARKETERS AND MANAGERS

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## ABSTRACT

*This is a theoretical paper about managerial marketing variables that describe new dimensions of the marketing mix. The paper discusses the current 4P's model of marketing and its variables: Product, Price, Place and Promotion. The article suggests a more complete view of the today's marketing management variables. Updating the management model of controllable marketing factors is necessary as the socio-economic evolution must be considered in a business application model. The article explains the reviews the new p's and the state of science and proposes new dimensions for strategic decision making in marketing departments and organizations.*

*The proposed model or enlarged P model is composed of* ***4**$^2$* *variables (4x4=16p) : product, positioning, people, pricing, perceptions, purchase process, prevention, profitability, perdurable, patents, past of time, product life cycle, popularity, promotion, partners, place.*

**Keywords:** Patents, Past of Time, Product Life Cycle, Popularity

## INTRODUCTION

To market goods and services, companies use several decision variables. Markets are studied and a wide variety of information is collected. In this way, companies can set the direction of the marketing programs needed for their products and decide on the strategies to be applied for their strategy and the satisfaction of customer needs. They must also overcome the challenges posed by the competitors in the industry. Companies' variables to define this strategy are those of the marketing mix (McCarthy et al., 1979), composed of: product, price, place, and promotion. With these variables, firms can focus on the achievement of their main objectives: profits, sales volume, market share, return on investment, etc (Isoraite, 2016).

This article aims to defend that the 4Ps of the marketing mix are not enough.
Other authors have previously discussed this, Rafiq & Ahmed (995) state that the 7P model has already achieved wide acceptance and provides solid support. Booms and Bitner's 7P model should replace McCarthy's 4P which does not cover enough content. Some authors advised alternative frameworks, while others propose modifications to the 4p model. The following table shows the various proposals in this regard:



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**Table 1**
**REVIEW OF RELATIONSHIP MARKETING LITERATURE (CONSTANTINIDES, E. 2006)**

| Authors | Arguments | Proposition |
|---|---|---|
| Kotler 1984 | External and uncontrollable environmental factors are essential elements of the marketing strategy Programs | The Marketing Mix should include<br>- Customers<br>- Environmental variables<br>- Competitive variables<br><br>Two additional Ps to the 4 traditional ones:<br>- Political power<br>- Public opinion formulation |
| Ohmae 1982 | No strategic elements are to be found in the marketing mix. The marketing Strategy is defined by three factors. | Three Cs define and shape the marketing strategy:<br>- Customers<br>- Competitors<br>- Corporation |
| Robins 1991 | The 4Ps Marketing Mix is too much internally oriented | Four Cs express the external orientation of a Marketing Mix:<br>- Customers<br>- Competitors<br>- Capabilities<br>- Company |
| Vignalli and Davies 1994 | Marketing planning will contribute the organizational success if it is closely related to strategy. The Marketing Mix is limited to internal and non-strategic issues. | The MIXMAP technique allows the exact mapping of marketing mix elements and variables, allowing the consistency between strategy and tactics. |
| Doyle 1994 | While the 4P dominate the marketing Management activities, most marketing practitioners would add two more elements to this mix in order to position their products and achieve the marketing objectives | Two more factors must be added marketing Management activities to the 4P mix:<br>- Services<br>- Staff |
| Bennett 1997 | Focused on internal variables , therefore incomplete basis for marketing. Customers are disposed to buy products from the opposite direction to that suggested by the Marketing Mix. | Five *vs* are the criteria of customer disposition:<br>- Value<br>- Viability<br>- Variety<br>- Volume<br>- Virtue |
| Yudelson 1999 | The 4Ps are not the proper basis of 21st-century marketing. The Marketing developments of the last 40 years require a new flexible Platform while the simplicity of the old model remains an attractive factor. | 4 new Ps based on exchange activities<br><br>Product -> Performance<br>Price-> Penalty<br>Promotion-> Perceptions<br>Place-> Process |



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| | | |
|---|---|---|
| Schultz 2001 | Marketplaces today are customer oriented. The 4Ps have less relevance today; they made sense the time they were invented. | - End-consumer controls the market<br>- Network systems should define the orientation of a new Marketing<br>- A new Marketing mix must be based on the Marketing Triad Marketer, Employee and Customer |

The table 1 shows the proposals of other authors to extend or modify the classic marketing mix model.

The model matches with Vignalli's view that the p's of the model must be related to the companies' strategy. The proposed model has points in common with Yudelson's proposal by suggesting two of the p's in our model: perceptions and process. There are currently many advances that are affecting marketing: the digital revolution, internet, smartphones, social networks, content marketing, customer journey maps, native advertising, brand storytelling, brand equity and resonance, brand association maps, marketing automation, predictive analytics, neural marketing, shopper experience design, knowledge labs, virtual reality, Omni channel marketing. Marketing management must keep updated with all these societal developments (Kotler, 2018). The 4p model needs to be renewed and expanded to adapt it to today's needs. Therefore, this paper develops the 16 p's considered necessary for the model: People, Positioning, Product, Place, Perceptions, Pricing, Purchase Process, Product Life Cycle, Profitability, Prevention, Popularity, Perdurable, Promotional, Past of time, Partners, Patents. This article develops each of these necessary components of the model to explain the need for their incorporation.

## People

The P of People is not inside the 4P Marketing Mix model, but it already has the importance of being considered part of it. "People" is intended as the importance of people inside the organization. The relevance of investing in people, doing internal marketing, and the importance of establishing and consolidating corporate culture as a key to a brand's success.

Other authors have already talked about it and considered People as part of the brand strategy tools.

It is necessary to recognize the value of the company's human resources, to work on the culture of the organization, and declare that employees must be motivated to participate in the company's success, and they must be participants in it. To achieve this, employers must communicate with employees and inform them of the company's objectives. This improves internal communication and makes employees more aware of the importance of their performance within the company, ultimately improving global performance (Hogg et al., 1998).

Internal marketing is to promote the company and its products internally, that is, intending to get the promotional message to the brand's employees and workers (Greene et al., 1994). The climate and culture of an organization depend on the people who work in it. That is why it is so crucial for the company to invest in employee training. Its employees are the ones who ultimately transfer the company's culture and values to the end consumer through the shopping experience. "Internal marketing affects both how the individual perceives their role within the organization and how these roles relate to the wider operation of the organization with its environment" (Hogg et al., 1998).

Internal marketing can be understood as marketing to employees or even viewing employees as internal customers (Greene et al., 1994).

It is essential that the employee knows the company's strategy with its mission, vision, and values. Not only that he/she knows it, but also that he/she believes in it. This is the only way



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to transmit it. Companies need brand ambassadors in sales positions. Therefore, the organization must allocate resources to cover this need, which is part of its sales strategy.

In other words, internal branding has one purpose: to educate employees on the values of the brand itself to improve their commitment to the brand and be able to relay it to the end consumer (Ngo et al., 2019). Customer service is one of the ways through which a brand can gain a competitive advantage, resulting in unconditional customer loyalty. This is achieved through internal marketing, thanks to the education of the brand's personnel; it will be possible to offer superior service and treatment. Internal marketing success means external marketing success (Greene et al., 1994). "The quality of the service is inseparable from the quality of the service provider." The time of purchase can determine the customer's overall feeling about the product and brand. It is critical for companies to keep this in mind because the success or failure of brand perception depends on it. There are proven studies on this argument, such as the one published by (Ngo et al., 2019). The results affirm that employees' brand awareness affects their performance. The feeling of belonging and identification motivates employees and they become more involved in the brand and its objectives and more customers focused. Employees' overall performance increases when their brand awareness and education increases.

## Positioning

Brands should strive for a unique place for their products; how the customer perceives the brand in his mind is very important. Brands invest a lot of money in their communication strategies in order to transmit this positioning. Brand positioning has to do a lot with product attributes and the use of claims with the main attribute that the brand wants to emphasize about its product, and through which it wants to be identified. The visual advertising elements must be in line with the positioning and values of the brand. Through positioning, brands attempt to achieve a competitive advantage.

Talking about the product the article mentioned that its attributes are the ones that must be differentiating; the positioning is the communication of this differentiator element.

The function of positioning is that the product's differentiating attributes, which provide that competitive advantage, penetrate the consumer's mind (Gwin et al., 2003).

For a brand to position or reposition itself effectively, it is essential to know how customers perceive the brand within that product category (Gwin et al., 2003). The positioning strategy is linked to the concept of market segmentation.

(Hassan et al., 2012) Professionals affirm that the high economic and financial costs involved in carrying out segmentation studies are worth it, since the correct positioning of a brand rewards it with significant economic benefits. Market segmentation divides potential customers into different groups with common characteristics, such as geographical location, age, gender. The market is becoming more and more global and technological (Hassan et al., 2012), as a result of which customer segments are becoming more and more homogeneous, and national borders are no longer the limits. In global markets, segmentation by lifestyle and behavior is now necessary. Globalization has erased frontiers between countries to the point that marketers must consider other variables when creating segments (Hassan et al., 2012). Behavioral and lifestyle factors are now more relevant. Researchers have identified the critical relationship between segmentation and positioning as a crucial issue (Hassan et al., 2012). Both segmentation and positioning decisions are fundamental to the development of the brand's overall strategy: its corporate image and its method of action.

The article argues that the most likely way to gain a competitive advantage is through global rather than niche positioning. A global strategy reinforces the brand image and avoids differentiation costs. This variable is relevant in business-to-business products where is essential how to structure a positioning process in industrial markets (Muhlbacher, 1994).

Positioning is how the brand is perceived in the mind of the consumer. Positioning themes are usually composed of few words, but they serve many purposes: to convey to the



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consumer the brand image that the company wants to spread. It is creatively communicating with the consumer (Teas et al., 2004). The use of perceptual maps is common to identify the brand's positioning.

## Product

The product or service understood as the ultimate good that the consumer is willing to pay for, is one of the most important elements of the marketing mix, as it is the one on which the entire commercial strategy revolves. Companies must create a competitive advantage through the product, which means that the product's attributes must be what makes it preferable to those of other brands.

Business strategy is describable by the principles of war strategy (Altman, 2000). To have a competitive advantage over competitors, companies must beat them on the battlefield, and the battlefield is the customer's mind. The one who manages to stay in the customer's mind will be the winner of the battle. Companies aim to achieve a competitive advantage in order to sustain themselves over time.

In order for the organization to achieve superior performance (Dirsu et al., 2013), it must reach a competitive advantage, which will result in higher profits. There are three sources of competitive advantage:

1. Cost leadership: making more efficient use of the company's assets or lowering the cost of suppliers
2. Transaction innovations: that reduce transaction costs
3. Product differentiation: which consists of generating added value through the attributes of our product, surpassing those of our rivals? (Dirsu et al., 2013)

Large companies gain competitive advantage through cost leadership. It is their high production volumes and repetitive tasks that make them improve their efficiency and reduce their costs. (Dirisu et al., 2013), if the company is able to reduce costs, it can consider lowering prices as a sales strategy, thus gaining market share (Wang et al., 2011).

However, it is not the only way to create a competitive advantage. The strategy of other companies to develop their competitive advantage is through differentiation: differentiation of certain product or service characteristics. This, in reverse, causes the final purchase price of the product or service to increase: reflecting the higher production costs and the value-added attributes offered to the consumer (Wang et al., 2011).

Competitive advantage is in every business strategy debate as it is one of the objectives of all companies. Brands must differentiate their products and make consumers perceive them as different. There are numerous ways to create this sense of differentiation in the consumer, but doing it through the product is a profitable and effective strategy to gain and maintain its competitive advantage (Dirisu et al., 2013).

Each of the 4Ps that make up the Marketing Mix model is made up of different components. The P of product, for example, is composed of: Design, Technology, Utility, Value, Convenience, Quality, Packaging, Brand and Warranties. These aspects of the product can be worked on to build the product's competitive advantage (Singh, 2012).

**Table 2**
**ELEMENTS OF 4 P'S. (SINGH, 2012)**

| Product | Price | Promotion | Place |
|---|---|---|---|
| Design<br>Technology<br>Usefulness<br>Value<br>Convenience | Retail<br>Wholesale<br>Internet<br>Direct sales<br>Peer to peer | Strategies<br>Skimming<br>Penetration<br>Psychological<br>Cost-plus | Special offers<br>Endorsements<br>Advertising<br>User trials<br>Direct mailing |



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| | | | |
|---|---|---|---|
| Quality<br>Packaging<br>Branding<br>Warranties | Multi-channel | Loss leader | Leaflets/posters<br>Gifts<br>Competitions<br>Joint ventures |

Table 2 presents the various subcomponents of the 4 main components of the marketing mix model.

Companies differentiate themselves from their rivals in the industry by providing their products with one or more differences in product attributes (Dirisu et al., 2013).
Companies that succeed in providing their products with differentiating features, thus achieving their competitive advantage, are companies with access to the highest quality scientific research, highly skilled and creative development teams and a strong sales force capable of adequately communicating the perceived strengths of the product (Wang et al., 2011).

**Place**

P of Placement is already included in the 4Ps of the marketing model. However, it is necessary to study it from another point of view. Place means how to reach the consumer. From the factory to the consumer, in the middle, is the place. There are different ways to get the final consumer. It is vital to consider distribution channels, physical points of sale, and internet sales. When a company has a small retail store or offers a service to its local community, it is at the end of the distribution chain to supply directly to the customer. Companies that create or assemble a product have two options to reach the customer: sell directly to consumers or sell to a supplier. The author (Yudelson, 1999) already talks about a new approach needed for Place/Placement P: P for a place is now all possible ways to reach the end customer. The place is no longer limited to a simply physical location; the growth of the virtual market has changed the schemes.

1. Direct sales: Direct selling is when the producer is in charge of all the processes of the product including its sale to the final customer. Depending on the type of product the company sells, it must choose between direct selling and another. It could be: *insitu* retail (local business), door to door, mail order, E-commerce…
    a. In this type of sales, contact with the customer is close, his modus operandi is well known and the strategies to be applied are easier to perceive. The company knows and has first-hand data on its customers and this constitutes a good point for the company (Ehmke et al., 2005).
2. Through and Intermediary
    a. Instead of the company manufacturing the product itself reaching the final consumer, the sale can be made through an intermediary: a wholesaler or a retailer who resells your product.
    b. The intermediary could be a wholesaler, product units are received consistently, and sales are made evenly throughout the year, or a retailer

Sometimes companies have difficult access to the end consumer, and this is the most exciting way for them to sell.

**Perceptions**

The oxford dictionary says about the meaning of perception that it is the way you notice things, especially with the senses. The ability to understand the true nature of something. An idea, a belief, or an image you have due to how you see or understand something. A brand must first establish its mission, vision and values, corporate culture, objectives, and fundamental bases, and most importantly, it must know how to communicate them. It has to communicate these aspects so that the consumer perceives them with his senses, understands their nature, and develops a solid idea about the brand in his head. Talking about perceptions, there is a discussion of different points: brand image and customer loyalty, corporate branding and brand



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performance, brand equity, and the impact of culture on brand perceptions. Firms invest large sums in building their corporate image. Some hypotheses on the relationship between brand perception and loyalty have been empirically tested in a study conducted to understand the relationship between brand perception and buyer behavior through ANOVA tests. The following conclusions were reached: there is little evidence that any particular attribute is more closely related to customer loyalty than others, there are no specific brand positions that are uniquely associated with greater loyalty, the more attributes are associated with a brand, the more loyal the customer (Romaniuk et al., 2003). Organizations should emphasize internal factors such as the role of employees within the brand; this is called corporate branding and has to do with brand performance. There are some internal brand factors that can help leverage resources and improve performance. Employees play a crucial role in brand performance. It is imperative that the internal relationship of the staff and that the marketing managers not only develop external marketing strategies but also internal ones. This generates a synergy that translates into greater consumer satisfaction. The composition of the work teams is also important. Their heterogeneity improves results. The existence of an internal education program is necessary to educate employees on brand identity (Harris et al., 2001).

At this point it's important to understand the concept of brand equity describes the level of sway a brand name has in the minds of consumers, and the value of having a brand that is identifiable and well thought of. Awareness and experience are the two key tenets of brand equity. There are three components of brand equity: perceived value defined as the value of the brand but not related with price or promotion. Brand dominance, the ability of the brand to compete on price, and intangible value, the perceived minus the objective utility. Brand equity is the sum of general preferences that is neither explained nor measured by objectively identifiable attributes. Intangible attributes might contribute more to brand equity than tangible ones (Harris et al., 2001). There is an impact of culture on brand perceptions. Two people talking about your brand may express themselves differently, but they are essentially trying to describe the same positioning. Brand managers have to assume this factor and try to establish different strategies taking into account the other cultural aspects, allowing the different cultures to perceive the brand as they want it to be perceived (Foscht et al., 2008). To this extent Muhlbacher stated in 1999: "Human decision making is never based on objective criteria but on subjective interpretations of information stored in memory and data gathered from the environment. Decision makers have to decide what information is useful and what can be ignored."

## Pricing

The final price is the amount of money the customer is willing to pay for a product or service. The price is conditioned by multiple factors. It is closely linked to the product attributes mentioned above since these are the ones that can make the product have a higher price. One aspect that has a significant impact on price is the information age we live in. Moreover, price plays a key role in customer satisfaction. Today's customer has all the price information available on the market and this can influence decisions. That is why the company must be careful in this respect. Until now, traditional marketing consisted of 4 key elements: the product, its promotion, its placement or distribution and its price. Product, promotion and placement are the steps through which the company tries to create value in the market. With Price, the company tries to capture it in the form of profit. "If product development, promotion and placement are effective and sow the seeds of business success, effective pricing is the harvest." (Nagle & Müller, 2017). The main objective of the company is to make money, so its price must be established taking into account the achievement of a profit margin, making sure they obtain cost-effectiveness or profitability. The price must reflect the value of the product, which means that it must cover the costs of the product, adding the margin that represents the attributes that make the product competitive. The margin of monetary units that makes the price higher than the costs corresponds to the value, and is what the company must defend.



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There are different types of pricing strategies (Nagle & Müller, 2017). Making the right decision for each company and product can maximize profitability. The company must analyze if in the case of its product it is convenient to apply an additional cost strategy, strategies in which customers or shareholders are the ones who drive prices,

Cost-plus pricing_is the most common pricing procedure. The financial prudence of obtaining the proper return for each product according to its cost is a basic formula for profitability. It is not always easy to apply, it depends on the sectors, because it is necessary to calculate the exact cost of each product and in specific sectors, due to economies of scale, it is not exactly the same for each unit produced.

Customer Driven Pricing is the setting of the price guided by the customer's willingness to pay.

> "...is not simply to process orders at whatever price customers are currently willing to pay, but rather to raise customers' willingness-to-pay to a level that better reflects the product's true value. Many companies underprice truly innovative products because they ask potential customers, who lack prior experience from which to judge the product's value, what they would be willing to pay for it" (Nagle & Müller, 2017).
>
> Also highlights the importance of the following: "Forget what customers who have never used your product are initially willing to pay. Instead, understand what the value of the product could be for satisfied customers, communicate that value to the currently uninformed, and set prices accordingly" (Nagle & Müller, 2017).

Share Driven Pricing Prices are dictated by external and competitive conditions. Managers do not generally agree with the strategy of cutting prices to gain market share, as it has negative financial implications, even if it results in meeting sales targets sooner. Many managers believe that the strategy of cutting prices in the long term is not as effective as product differentiation, advertising, or improved distribution, even if price cutting brings great benefits in the short term (Nagle & Müller, 2017).

The rationale for value-based pricing is that a customer's relative willingness to pay for one product versus another should track closely with differences in the relative value of those products (Nagle & Müller, 2017). The role of value in pricing is not a simple concept, value is complex to define and quantify, and it is not an easy task to make the customer perceive it.

The article adds that "the optimal price that can be asked depends on the demand curve: it represents what customers are willing to pay to buy according to various volume quantities. Pricing is simply optimizing the price level in light of this demand. But, actually, the demand for most products and services is not always predetermined. Sometimes, it is created by the decisions marketers decide what to offer their customers, how to communicate their products and services, how to price differently for different customers, and how to manage customers' pricing expectations and incentives. Making these decisions and implementing them effectively to maximize the ability to profitability is what is called "strategic pricing".

Following the idea and work of the same author, "nearly all successful pricing strategies embody three principles. They are value-based, proactive, and profit-driven."

1. Value-based means that the price difference of a product with the competitor's reflects differences in the value perceived by customers between the two products "For example, many managers ask whether they should lower prices in response to reduced market demand during a recession. The answer: If customers receive less value from your product or service because of the recession, then prices should reflect that. But the fact that fewer customers are in the market for your product does not necessarily imply that those who remain value it less than when they were more numerous. Unless a close competitor has cut its price giving customers a better alternative, there may be no value-based reason for you to do so" (Nagle & Müller, 2017)
2. Proactive means that companies anticipate and react to competitive developments and social events, for example.
3. Profit-driven means that the company does not earn by market share or growth relative to its competitors; its success depends on price management.

According to (Rao, 1984) much of the marketing research on pricing has been done on how each individual reacts to different alternatives, and some factors are affecting the decision



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that he highlights: consumers differ in the way they utilize attributes (perceptions) in evaluating the brands, perceptions of brands on attributes enter into the formation of utility scores for the brands. For any choice situation, only a subset of all possible alternatives may be considered by the consumer. Price of an item enters either as an attribute in the evaluation stage of the choice process or as a constraint in the ultimate choice, ultimate choice is a function of the utility scores obtained in c subject to e; these functions are empirically derivable.

The marketing reference (Kotler, 1999) introduces the concept of price by explaining its beginnings: throughout history price has been a negotiation between seller and buyer. It was at the end of the 19th century that a single price was fixed for all buyers. Due to the Internet and the information age, the initial situation is repeating itself and prices are now becoming highly individualized again. A typical mistake of companies is cost-oriented pricing. A company must set the price of the newly developed product through the following procedure: To begin with it must set the objective of its pricing (survival, maximum profit, maximum market share, maximum market development or product quality leadership), it must determine demand, estimate costs, analyze costs, prices and competitors' offers and finally select the final price. Price has a psychological component. Many consumers interpret price as an indicator of quality; a higher price is perceived as higher quality. Many sellers take advantage of this general perception. Another strategy used is to indicate that the initial price was higher than the current selling price. Pricing with odd numbers or ending in 9 without reaching the next unit is another strategy that generates a sense of consumer conformity. All of these strategies are known to marketers and applied according to their purpose and brand image (Kotler, 1999).

## Purchase Process

Adding Purchase Process as a marketing mix component is necessary due to its relevance for the company's profitability and level of sales. The purchasing process is the final step that the company should be concerned about, in which it should obtain in the form of economic return the value it has generated in the product. Some authors have already talked and elaborated studies about it, such us (Tanner, 1996; Powers et al., 2012) or (Colicev et al., 2019). Considering the purchasing process as another variable in the marketing mix is important since the purchasing process is closely linked to customer satisfaction. It is also important to consider the changes that have occurred in recent years related to the emergence of the Internet. Managers should pay attention to this process because of its effects on future purchases and word of mouth. Satisfaction with the product is as relevant as satisfaction with the purchasing process. The buying process is when the employee is able to establish a relationship with the customer. Retaining customers and establishing long-term relationships is what companies strive for, so marketing efforts should not forget it as a strategic aspect for a company's success. Satisfied customers generate higher profitability for the business. "Studies have shown that retaining an additional 2% to 5% of customers can improve profits greatly and works in the same manner as cutting costs by 10%. Because attracting new customer's costs approximately five times what it takes to retain customers, the profit potential of maintaining a stable base of satisfied customers cannot be understated" (Tanner, 1996). The author elaborated a study that confirms the relevance of the purchase process through a survey of customer satisfaction both with the product and with the process of choice and final purchase. The Purchase Process affects expectations. There is consensus among researchers on the veracity of the confirmation/disconfirmation theory. This model indicates satisfaction occurs when purchase expectations are fulfilled or confirmed. The study confirms that most researchers rely on the theory of podemonstratesase conformance or non-conformance. Conformance occurs when customer expectations are met and non-conformance occurs when customer expectations are not met. Customer satisfaction is important because it influences future behavior (Tanner, 1996). Purchase process and digital media are now related. It is also important to analyze the purchasing process because of the changes it has undergone in recent years due to technological



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and internet advances and how these have affected it. Consumers have been empowered with digital and social media. Information regarding all brands is at their fingertips and they have become a much more impatient and unfaithful customer.

Brands should use digital and social media as a communication tool with their potential customers, trying to deliver messages that communicate their values and connect with them. Brands must understand how digital and social media are used in the buying decision process. The life of today's consumer is dual, the one who lives online and the one offline. Companies must carefully manage both communication channels.

(Powers et al., 2012) Brands are increasingly moving to social media as their primary marketing communication channel due to the acceleration of the digital revolution. Brands media strategy pursues to engage with customers, increasing awareness and interest in their products, and influencing their buying behavior (Colicev et al., 2019). This has been remarked in the fashion industry (Mir et al., 2018). Purchase process includes the digital path and the brand implications that should take in to account when managing this p variable.

## Product Life Cycle

At every stage of the product life cycle the marketing strategy varies and the offer must be adapted to the consumer adoption. Products have a life cycle composed of different stages. Product life cycles can be determined and are especially useful as marketing models (Cox, 1967). The P for Product Life Cycle should be included in the marketing P model, since knowing the life cycle of products is fundamental for brand strategy and brand marketing. The product life cycle is its evolution, measured by number of sales, over time. At any given time, each product is in one of four stages of its life: introduction, growth, maturity or decline. Understanding this helps in the planning and control of the product and the strategy to be applied. The promotional process for each of the stages is different and adapted to each one of them (Cox, 1967).

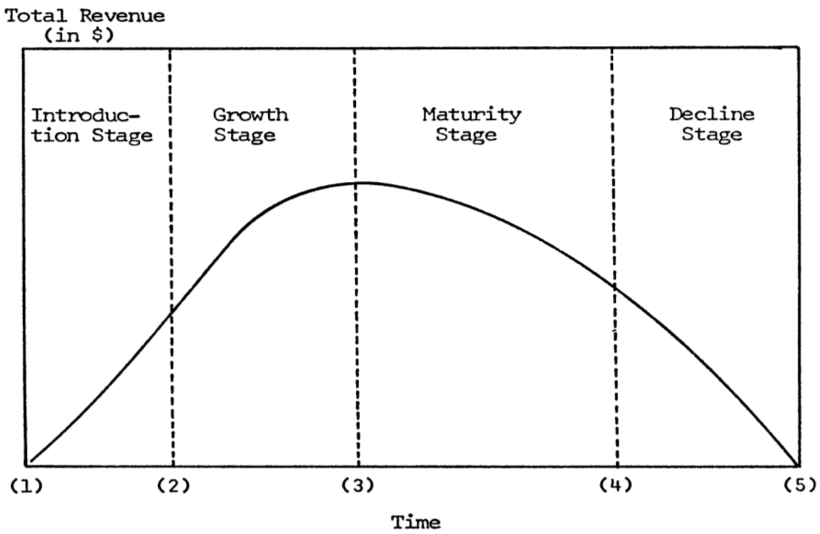


**FIGURE 1**
**PRODUCT LIFE CYCLE (COX, 1967)**

The graph figure 1 is the visual representation of the product's life cycle based on its sales over time. The level of sales determines and denominates each of the stages.

Product life cycle is composed of different stages (Cox, 1967).



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- Introduction: stage that goes from the birth of the product catalog (idea and initial prototype) to its launching on the market.
- Growth: it is the stage that takes place from the appearance of the product on the market to the moment of the highest monthly income.
- Maturity: period of time between maximum revenue and the commercial death of the product.
- Decline: final stage of the product, from its commercial death to its death in the catalog.

The product life cycle concept is very useful for multi-product companies. Knowing in which stage each one of them is, they can make a more correct use of the economic resources allocated to each one and therefore implement the most appropriate strategy (Cox, 1967).

## Profitability

P of Profitability is a must in Marketing Mix model, basically because this is what every firm pursues. The oxford dictionary says about profitability that is the degree to which a business or activity yields profit or financial gain. The company's principal aim is to generate profits and to increase revenues. The marketing aim is to increase the company's sales to grow the company's revenues. Companies use indicators to measure their results. ROI (Return on Investments) indicator evaluates the economic value a company obtained with its investments. Financial managers use it as a tool to drive the company's major investment decisions (Lenskold, 2003). The objective of companies is to generate profits and increase revenues. The objective of marketing is to increase the company's sales to achieve its goal of generating profits and increasing revenues. Companies spend large budgets on Marketing, so investment needs to be profitable. If done right, marketing is not an expense, it is an investment. Sergio Zyman former Coca Cola Company marketing executive stated the idea clearly: “The sole purpose of marketing is to get more people to buy more of your product, more often, for more money. That’s the only reason to spend a single nickel, pfennig, or peso. If your marketing is not delivering consumers to the cash register with their wallets in their hands to buy your product, don’t do it” (Lenskold, 2003).

Both sides need to be known and analyzed by the manager. The global ROI as a company, but also the marketing ROI, as a test of business performance. It works as a test for evaluating management performance (Friedlob et al., 1996). According to Lenskold in 2003 it’s possible to apply the concept of ROI. The application of marketing ROI measurement models increases companies' profitability and competitive advantage because marketing managers are able to compare and prioritize best marketing choices (Lenskold, 2003).
Why to include marketing ROI in the marketing mix model?

- ROI is the key metric for targeting marketing investments.
- The standard measure of ROI is very simple.
- Unlike typical significant capital investments, marketing investments are composed of many smaller investment decisions
- Marketing ROI is a key measure of staying competitive. The company's always limited marketing budget must generate the highest possible ROI (Lenskold, 2003).

Marketing ROI = (Revenue - Marketing Investment) = Marketing Investment

ROI is a percentage ratio. A positive ROI means that the company has made a profit, negative means that a loss has been incurred; zero is the break-even point from which profits would start to be achieved (Lenskold, 2003). The marketing investment is made up of all the expenses involved in marketing the product, the return is all the financial gain beyond the initial investment that is attributed to that investment. ROI Marketing allows you to see the cash value of marketing investments and links marketing directly to the P&L. Marketing budgets will be considered investments, not adjustable variables or simply expenses (Lenskold, 2003). Marketing ROI is intended as a tool to help make better marketing decisions, and it brings



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credibility to the company's marketing efforts and motivates managers to allocate budgets for marketing investment, designed on purpose to provide critical information to marketing professionals and managers (Fu et al., 2018).
According to (Fu et al., 2018), this is the complete marketing process and where the marketing ROI calculation step is placed:

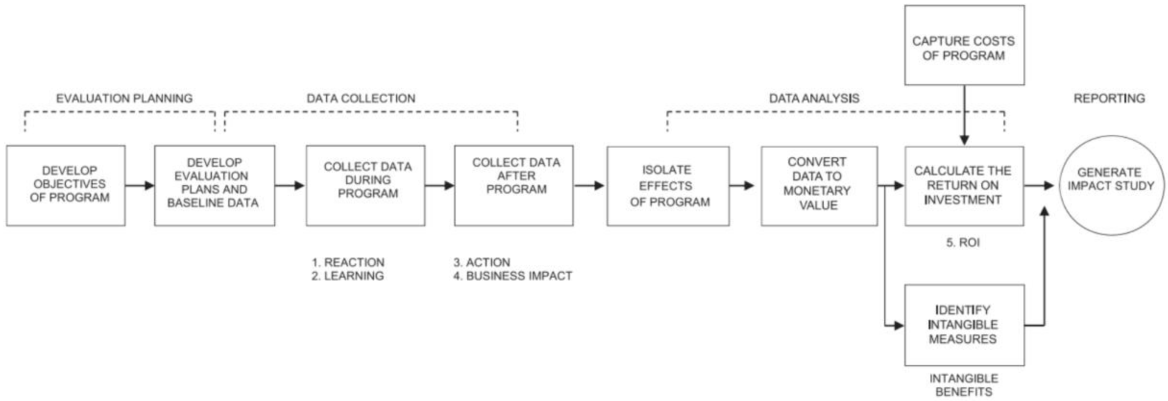


**FIGURE 2**
**THE COMPLETE MARKETING PROCESS AND WHERE ROI CALCULATION IS PLACED (Fu et al., 2018)**

The Figure 2 there represents the whole process of a marketing study and implementation of its strategy and shows how is composed and structured and what place the calculation of marketing ROI occupies within the process. Belongs to the group of activities included in data analysis, since its objective is to recover production, investment, and sales data and have a perspective of the strategy's effectiveness in monetary terms. When referring to Return On Marketing Investment, other authors as (Solcansky, 2010) call it ROMI, but they are talking about the same idea. And also defends its importance by noting that, to improve a company's efficiency, it must first be able to evaluate its activities numerically in order to analyze progress. ROI subcomponents: three key components that affect the equation and how

- Customer Lifetime Value (CLV): it is the net present value of the benefits of the purchases resulting from the investment. The ROI improves as it increases.
- Total number of customers: total number of customers generated by the marketing investment. ROI increases as this component increases
- Marketing expense: is the investment made in the expectation that it will generate revenue. The ROI grows as it decreases

## Pandemic Prevention

For many companies, the COVID-19 pandemic has come as a shock because they had no plan of action for a similar situation. After this experience, companies should have learned the need to have a plan B. A breakdown plan B will make it easier for the company to deal with an unpredicted situation, such as a pandemic, and will prevent its entire production process from coming to a standstill.

Companies have long-term strategic planning in place regarding the resources and specific timelines with which the organization will undertake the established strategy.
When a strategy is formulated, it is done with a medium-long term vision and the objectives are ambitious, but consistently measurable, achievable, relevant, temporary and specific.
The strategy implements the strategy by combining goals and objectives with the actions and resources needed to achieve them over time. Previously there has been a step of analysis and a



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step of formulation of the strategy. Senior management is responsible for analysis and formulation, and all employees contribute to implementation. Long-term objectives correspond to the company's culture and image (mission, vision and values). The medium-term goals are the company's corporate strategy and determine the organization of it. Short-term objectives correspond to specific strategies and present action plans to carry out an activity. Marketing strategy should support and contribute to corporate strategy (Bakker, 2014). Faced with an unpredictable, unplanned situation, the company must adapt to the circumstances and reformulate certain aspects of its strategy. The policy (mission, vision, values) of the company regarding its image and culture must remain constant. Changes must be implemented in the medium and short-term strategy, in the corporate and specific strategies: organization and action plans. Top management must be involved in the management of the company, there must be an organizational change and technological and information capabilities are needed within the organization (Bakker, 2014).

Services industries manage the concept of prevention in what is called services break down prevention, an idea that can be applied to other industrie (Woodside & Mir, 2020).

## Popularity

One of the goals of marketing departments is to make the product or service recognized and known by potential consumers and this has to do with the brand noise, all actions that the company makes to generate awareness about the brand.

Popularity is a key dimension in the marketing mix model because it is a differentiating factor that makes a brand successful. The better known a brand is, the more potential customers it will have, the more potential purchases, and therefore the more end customers and revenues it will generate.

The factor of brand perception comes into play when talking about brand popularity, the value that the consumer associates with that brand. This is called: Consumer Based Brand Equity (CBBE). It called also brand awareness, and it is interesting to see how it influences purchase intention. Purchase intention is closely related to brand awareness and brand equity. Brand awareness acts as a first step in generating brand value for consumers, but brand awareness alone is not enough to generate purchase intention; associations, loyalty, and perceived brand quality are CBBE dimensions that indirectly mediate. Brand awareness is the first step. The role of the marketing team in brand management is necessary to generate good performance (Azzari et al., 2020). CBBE is everything related to the brand and its name that adds value, the differential effect of consumer brand awareness. CBBE is powerful at the search and purchase decision stages. A high value puts the brand in the consumer's mind as one of the purchase options, and the consumer's choice effort is lower (Azzari et al., 2020). Brand associations are important for brand perception: they appear when the consumer, thinking of the brand, naturally associates it with a memory that has developed of it. They are mechanisms that help the consumer to remember the brand (product attributes, symbols…). Brand awareness is the strength that a brand manages to have in the consumer's mind (Azzari et al., 2020). The fact that a brand is becoming known makes it easier for consumers to recognize it, create brand associations in their minds, and perceive quality and loyalty towards it. Willingness to buy can increase. Brand awareness contributes to higher market penetration.

(Azzari et al., 2020) Today, social media is involved in countless aspects of daily and business life. Technology and the new forms of communication it promotes are also influencing brand awareness. Through a study of the hotel industry and hotel brand awareness, the author concludes that mobile applications contribute to brand awareness and purchase intention. Brands should create value through mobile apps to reach their potential audience. The power of word of mouth in brand awareness is clear (Boonsiritomachai et al., 2020). Word of mouth, understood as the content generated by users on social networks, is of vital importance for a brand. Both positive and negative comments have consequences on the future purchases of potential



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customers. The popularity of a brand is also created when it is advertised in digital media. It also makes people post content about it and its products. This can help other users in their purchasing decision. The virtual interaction of the brand with its customers and of customers with each other contributes to brand awareness (Boonsiritomachai et al., 2020). A brand is a differentiator to distinguish products from those of competitors; a brand is a sign of quality in the customer's perception. Satisfied customers become loyal customers. Thanks to loyalty, brands get loyal customers to pay higher prices for their products. Organizations such as Interbrand annually publish lists of leading brands, evaluated by their brand strength about that of competitors. Brand-related marketing activities are what bring the brand to the consumer. Familiarity with the brand and the creation of strong, positive associations in the consumer's mind generate brand equity (Boonsiritomachai et al., 2020). The cultural aspect is important to take into account when talking about brand awareness. Studies affirm how the names or symbols used are highly conditioned by the geographical area. These cultural differences influence brands, both positively and negatively. Brands are said to be cultural products in their own. Brands are capable of establishing habits or lifestyles. Multinationals are causing the globalization of many Western practices. Profound cultural differences will remain in societies, but habits and lifestyles are becoming more and more universal due to the presence of these commonly American multinationals (Guzmán et al., 2012).

## Perdurable

A company is an organization dedicated to making business, to create products or offering services. Its mission is to generate wealth with the objective of making a profit. But in addition to economic value, the company must also generate social value. It is no longer only important how much a company earns, but also how does it earn it. Social responsibility is the new form of governance for business. The importance that the corporate social responsibility of brands has taken in recent years should be reflected in the marketing mix model, because today a company without corporate social responsibility has no durability over time. The company's purpose is both to make money and survive in the long term. Companies achieve their social responsibilities if they not only meet their economic objectives but also contribute to social well-being. Corporate social responsibility should be part of the management philosophy to guide the company's strategic decisions and positively impact society as a whole (Altinbasak-Farina, 2019). The following image represents the objectives of the company, its basic objective is to obtain economic wealth, but this is not the only wealth it pursues (Kiygi-Calli, 2019).


**FIGURE 3**
**RESPONSIBILITY FIGURE (KIYGI-CALLI, 2019)**



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The company's pyramid figure 3 of responsibilities is based on the scope of obtaining economic profit, but this is not its only objective. The company also has legal, ethical and philanthropic responsibilities. The world has changed, and continues to change. New problems have arisen in the world: more poverty, more inequality, more pollution, in short, a lot of injustice.

To participate in business activity, new principles now apply: business must be conducted differently; companies are beginning to work in a way that allows them to gain more and better visibility in the eyes of the consumer. Shareholders are also starting to demand these aspects. Integrating corporate social responsibility has many benefits for companies. In addition to the economic benefit it generates, it reinforces both the internal and external image of the company, which in itself also generates economic benefits. It also helps to attract and retain talent and customers. According to the results of a study on the CSR activities of companies in the fuel sector in Turkey (Aydin, 2019). The hypotheses that CSR activities contribute to trust and brand image are confirmed. One of the aspects to which brands are paying a lot of attention and positively reinforces their brand image is the environmental aspect. Attention is paid to compliance with environmental standards in the production process and the supply chain and in the sales process, taking into account the packaging.

Some common environmental practices are the following (Kiygi-Calli, 2019).

- Purchasing and using recycled materials for packaging
- Supporting and encouraging suppliers on reducing waste
- Producing recyclable and reversible materials in production and design
- Meeting standards for protecting the environment in the processes of lifecycle management, production, packaging and storing,
- Supporting suppliers to implement processes to protect the environment

By applying these practices, the company increases its credibility and value (added value).

> “This is a movement aimed at encouraging companies to be more aware of the impact of their businesses on the rest of society, including their stakeholders and the environment. Corporate Social Responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social, and environmental benefits for all stakeholders” (Altinbasak-Farina, 2019).

The company gains in competitiveness; it is differentiating itself from others.

> “To succeed in today’s competitive environment, companies should also realize that Corporate Social Responsibility (CSR) is not an illustration of corporate altruism but a source of opportunity, and competitive advantage” (Altinbasak-Farina, 2019).

A brand is considered sustainable when it takes care of its sustainability in several aspects (Yilmazer, 2019).

- Economic sustainability means that companies must satisfy the consumer's needs by producing at the lowest cost and obtaining the highest possible profit.
- Environmental sustainability: Designing activities in such a way that they do not harm the ecological balance.
- Technical/technological sustainability: reducing environmental effects by not wasting energy consumption and using green energy types
- social sustainability

"Marketing is the process through which the economy is integrated into society to serve human needs" - Peter Drucker. Brands must return to the human needs their consumers care about. Inspiring and motivating brand purposes connect brands to consumer values and lead to a



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winning result for the brand, the consumer and even society. A consumer emotionally connected to the brand's purpose rewards the brand with trust, loyalty and final purchase (Hsu, 2017).

## Promotion

Promotion is already part of the classic marketing mix suggested by McCarthy in 1979 and is a fundamental element for a company because concerns all company communication aimed at stimulating sales. The sales process is the stage where income goes into the company system and is one of the most essential processes of a company is the sales process. No matter how good its products are, a company must be capable of sellinging them to guarantee its existence. The company must focus on the sales process. To attract customers and generate sales, sales policy and promotion strategies must be effective. Brand communication defines the brand and conditions its success. The promotion is concerned with making customers aware of the company's products (Rowley, 1998). Promotion is therefore communication, all communication handled by a company. Brand communication through advertising creates differentiation among brands in the product category. The effectiveness of communication is affected by competition; the lower is the number of members in the sector, the more oligopolistic it is, the greater the promotional effectiveness of its participants (Nijs et al., 2001).

Brands' communication strategies help to promote their products and achieve the following effects (Rowley, 1998): increase sales; maintain or improve market share; create or improve brand recognition; create a favorable climate for future sales; inform and educate the market; create a competitive advantage, relative to competitor's products or market position; improve promotional efficiency. There are different communication channels to reach the customers (Rowley, 1998): advertising: product presentation paid for by the brand. The most common forms are television, magazines, newspapers and news media, and lately digital media have been added; direct marketing: to communicate with the customer, by mail or telephone or other non-personal contact tools; public relations and publicity: they define and reinforce the company's image. They are used to transmit more directly the values of the brand and induce pleasant sensations on the customer. The sales policy chosen by the company is also a critical decision on which the company's financial results will depend. The sales process is where face-to-face communication with the customer takes place. The brand must control this process delicately (Rowley, 1998).

In a way they are also promotional strategies, but they refer more directly to the sales process.

- Personal selling: is a face-to-face interaction with customers. Sales representatives perform them and their role is fundamental in the company.
- Sponsorship: external financial support. Very common in sports and the arts
- Sales promotion: short-term incentives. Time-limited discounts to encourage purchase.
- Partners: deserves an entire section within the article given their importance in the marketing P model.

## Past of Time

Old is not bad, the past of time gives experience, legitimacy and knowledge so brand strategies should enhance this aspect. The P of Past of time is included in the model because the historical heritage of the brands is an aspect that gives them personality and image. Many brands make use of their historical heritage and brand history as a differentiating and brand communication element. Brand heritage is defined as "a dimension of a brand's brand identity found in its history, its longevity, its core values, its use of symbols and, above all, in the organization's belief that its history is important" (Pecot et al., 2018).

Brands take advantage of their track record to enhance their image, communicate notoriety and justify that the price is due to their quality and longevity. Alluding to the brand's long history is a characteristic feature of premium and luxury brands.



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Corporate heritage brands face a contradictory situation between continuity and change. Corporate heritage brands continue with their authentic brand core, while contemporary corporate brands progressively develop their core.

Luxury brands must embrace change: Innovating, especially through design innovation, embracing change to maintain relevance but always staying true to their authentic core. The brand must be taken into the future, but always connected in some way to heritage values (Cooper et al., 2020).

Some studies (Pecot et al., 2018) confirm that marketing and past of time confirm that brand heritage increases brand credibility.

- Brand heritage increases perceived brand quality.
- Brand consistency mediates the effect of brand heritage on brand credibility.
- Brand clarity mediates the effect of brand heritage on brand credibility.

Perceived brand quality mediates the effect of brand heritage on the willingness to pay a premium.

- Consumer-firm familiarity enhances the effect of brand heritage on brand consistency and brand clarity.
- The effect of brand heritage on brand consistency is stronger for past-oriented individuals than for future-oriented individuals.

The results confirm that the perception of brand heritage is positively correlated with brand credibility and perceived brand quality and this variable must be included in the marketing management by practitioners.

## Partners

Marketing departments act very often as project managers because they integrate different actions, works, and outcomes from other agents. Traditionally the marketing partner has been the publicity agency. Depending on the agency, the strategy and the rest of the P's described in this study may vary that is why there is the relevance of what is called the marketing ecosystem has a direct impact on the company performance.

But not also for marketing, the P of Partners should be part of the marketing mix model because a company's suppliers and distributors have a lot to do with the company's strategy, image, and culture. Companies participate in service networks when they subcontract services or when they purchase raw materials from suppliers. These relationships determine the company's strategy. They are called B2B relationships (Beverland et al., 2007).

Companies should pay attention to these aspects. They own and are responsible for the execution of their processes, but they have less control over the functions of suppliers and distributors, which actions also affect their brand image (Beverland et al., 2007).

The study conducted by the author confirms the hypothesis that the brand's performance and management of the companies its image and reputation. Therefore, they should be carefully considered. When a company creates an alliance, it must be strategic (Brouthers et al., 1995) and to find a partner with compatible skills, the company has to do an exhaustive research. Experience, capabilities and potential are important criteria for an alliance to have positive results for the company, and the ally must have these qualities. For the partnership to have a positive impact on the organization, it must meet the following criteria:

- Complementary skills: companies cannot cover all their production or distribution needs. They must partner with companies that specialize in processes in which they do not. It is cheaper to do that than to start running the process themselves.
- Cooperative cultures: when the geographic origin of the companies is different this can be difficult
- compatible goals: clarity of focus is vital



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## Patents

It is important to consider patents as part of the P model since they provide a competitive advantage to the company that owns them.

Inside a market there is a battle to obtain the largest market share and the highest profit, there are competitors. To overcome the fight against competitors, it is necessary to find a source of competitive advantage to differentiate from them. In today's modern environment, a key characteristic for companies is knowledge. In addition, the generation of scientific and technological information and knowledge (intellectual property) and its application in products is a key differentiating factor that is difficult to imitate (Pickering, 2000). Organizations are increasingly aware of the importance of knowledge management. Recognizing, attracting, retaining and developing talent is the key to organizational success. Leveraging human capital is crucial. While previously the focus was on the physical assets of companies, the value of companies is now based more on knowledge, know-how and intellectual assets. The person is now the center and takes absolute importance in an organization's correct performance and development. There is a difference between the market value of a company and its book value; this is due to all of the above. Intellectual capital is part of the value of a company's intangible assets, the difference between the market value and its book value includes these assets: reputation, employee loyalty, employee commitment, customer relationships, company values, company brands, employee experience and skills. Human capital and social capital are what increase a company's value. For an organization to be successful it must be able to manage its knowledge, knowledge includes explicit knowledge: codified, documented, easily reproduced and distributed. Tacit knowledge: it is in employees' minds; it is the result of their experiences, and they do not control it (Pickering, 2000).

A company needs to have and know how to manage explicit knowledge; however, tacit knowledge is more important. Because it is the one that differentiates a company from others, the one that is able to differentiate my company from its rivals, making it unique. While explicit knowledge is easily imitable, tacit knowledge is personal, unique and difficult to imitate. It is the one that has to do with the company's values and vision, it is the one that makes the difference and gives it its own personality. It is key for the company to know how to convert this tacit knowledge into explicit knowledge so that it always remains in the company, even if people rotate or change (Pickering, 2000). What is important in companies, therefore, is not only material management, but also, even more, human management: social capital, human capital, interaction, collaboration, human talent, tacit knowledge that which concerns the people who work in these companies. The following figure represents the strategic management of internal competencies and affirms the fact of the importance of human capital competencies for the competitive advantage position of a company (Jüttner, 1994).

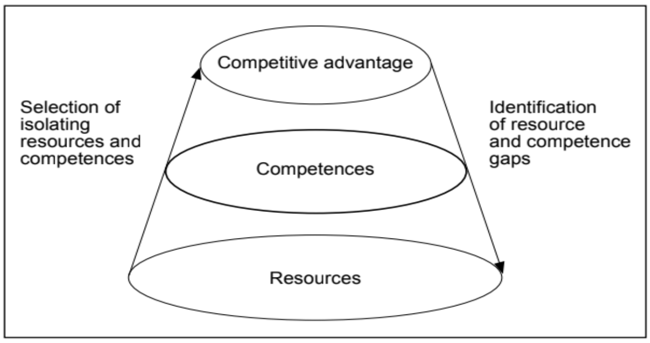


**FIGURE 4**
**THE COMPETENCE-BASED FRAMEWORK FOR STRATEGY ANALYSIS (Jüttner, 1994)**



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Companies, figure 4 within the organization in their staff, have a very rich source of competencies. In addition to the company's resources, the brand may be able to generate a competitive advantage that puts it in an advantageous position concerning its rivals. This relationship can be seen in the image. A company's reasons for pursuing patent protection are to eliminate imitation by competitors, earn time, and appropriate a return on investment in product development and marketing (Pickering, 2000). This is the innovation funnel that explains the process of internal knowledge and value creation within a company (Pickering, 2000). The author calls it “The innovation funnel.”

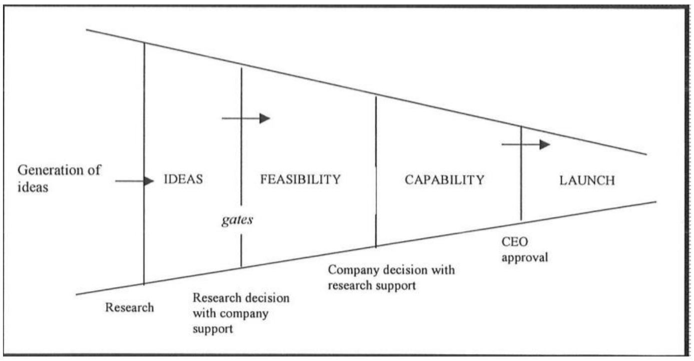


**FIGURE 5**
**FROM THE GENERATION TO THE LAUNCHING OF INTERNAL IDEAS**

The figure 5 above represents the launching of an internal company idea composed of several previous steps. It has to do with the generation of ideas from internal staff, which go through different phases and reach the launch thanks to the support and contribution of company resources. Companies must be prepared for the high cost of obtaining and protecting a patent. Companies are more interested in getting patents and incurring that expense when: (Pickering, 2000).

- The invention has a strong component of novelty
- It is related to the company's core activity
- It improves its strategic position

Patent decisions are strategic and provide the company with three different competitive advantages: appropriation, alliances and defense (Pickering, 2000).

- Appropriation: Allow a successful inventor to be rewarded for a period of time. Reduce and avoid market competition
- Alliances: Patent sharing is common in some sectors. It happens in the oligopolistic industries. Companies that are part of these agreements have access to the patent pool.
- Defense: He possession of a strong patent provides the company with a defensive quality against rivals.

## Managerial Implications

Managers must evolve. The above aspects should be taken into account as strategic formulation and decision variables, even if it is not a model. The world is changing, and the existing model should be reviewed and updated.

Managers and marketing professionals need to formulate strategies based on models that take into account current events and all their respective ideological, social, technological, cultural and environmental developments...



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Through the historical review of these variables used in marketing management, marketing practitioners should consider the integration to the $4^2$ model for better company performance.

Authors suggest the following 16P's model:

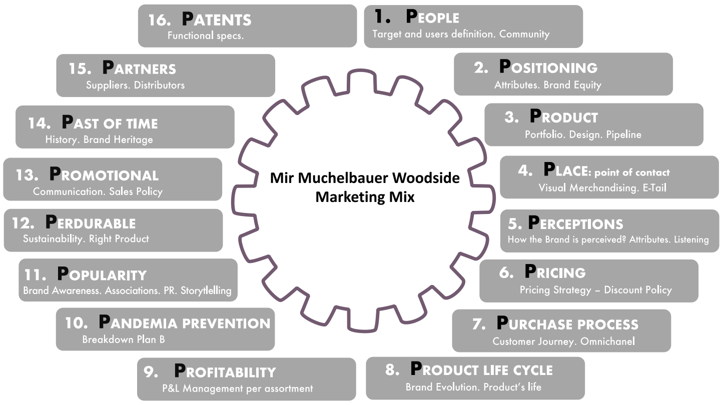


**FIGURE 6**
**AUTHORS SUGGEST THE FOLLOWING 16 P'S MIR SABADA MODEL**

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