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**Codifying the marketing mix**

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# Papers

## Dawn of the digital age and the evolution of the marketing mix

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**Abstract**

This paper traces the journey of the marketing mix paradigm from its inception through continuous debate and discussion over the years. It traces the evolution of marketing mix components and the transformation of the marketing paradigm as society, technology, media, information and money have changed. A significant evolution of technology has changed the face of marketing. The paper uses inputs from marketing experts to trace the all-encompassing and unstoppable expansion of cyberspace that is changing every single dimension of consumers' lifestyles. The paper outlines the acceleration of the information revolution with the advent of the 'Read-Write Web' or 'Web 2.0'. Within this emergent virtual domain, corporate blogs, online communities, social networks and wikis have redefined the routine lives of individuals and changed the way people relate to information, brands, other people and even themselves. The discussion further proceeds to address three important issues facing the world of marketing today: the implications of today's technologically inspired environment for marketing in the twenty-first century, the conceptualization of a customer mix as a pre-requisite for the marketing mix and, in conclusion, finally proposes an update to the marketing mix itself. In addition to this, the paper also traces the incorporation of the concepts of relationship marketing, customer relationship management, co-creation, salesforce automation and digital marketing in current-day marketing environments.

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**Introduction**

It all started with Culliton, who declared that the role of the marketing manager was to be a 'mixer of ingredients'.<sup>1</sup> He was followed by Borden, who coined the term 'marketing mix' in his early teaching and then in a 1964 article.<sup>2</sup> Borden deemed that the mix included 12 elements: product planning, branding, pricing, distribution channels, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and fact-finding and analysis. McCarthy then crystalized the marketing mix into the highly memorable '4Ps': product, price, place and promotion, which became the standard classification, taught and studied throughout

the world.<sup>3</sup> Since the 1960s, the marketing domain has changed considerably, and there have been many proposals to improve the classification of the marketing mix. There has been a veritable proliferation of new 'Ps', as professors and practitioners of marketing have tried to keep this key term up-to-date.

### Redefined in the 1990s

One target of dissatisfaction was 'P' for promotion that was recognized by many authors as being unclear and too narrow a definition (see, eg Hartley).<sup>4</sup> The common denominator among the various authors who examined the issue was the search for a more detailed, inclusive and realistic definition under the heading 'communication' that would include both media advertising and sales promotion. The accumulated literature was thoroughly reviewed at the start of the 1990s, which led to a broader definition of 'the communication mix' to include mass communications, personal communications and publicity.<sup>5</sup> The 'publicity' element was also refined by many contributors who referred to the actual tool in the marketing mix as 'public relations', with publicity being an outcome of good PR (see, eg Dewitt).<sup>6</sup> More recently, it has been realized that all the elements of the communication mix for any brand, company or institution should be seamlessly combined for maximum impact (see, eg Schultz *et al.*).<sup>7</sup> Thus, we now have the concept of 'integrated marketing communication' (IMC) that includes media advertising, sales promotion, public relations, package design, personal selling and direct marketing. In this article, the present authors will propose redefining this as IMC 2.0 to include the use of social media and the development of viral marketing communication campaigns.

### Place and distribution

Another element in the marketing mix to receive critical attention was 'P' for place, originally covered by Borden with his three elements — distribution channels, personal selling and physical handling.<sup>2</sup> In its broader sense, the term 'distribution' could encompass the following three sub-elements:

- where the products were to be sold (ie in which geographically defined markets);
- which type of sales channel would be used (eg directly via a company sales force or indirectly via independent reps);
- how the products would actually be supplied (ie physical delivery logistics).

Thus, by the mid 1980s, the traditional classification of the marketing mix had been modernized and was already being taught by Shapiro in the Harvard Business School MBA Program as product, pricing, communication and distribution.<sup>8</sup>

### Extending the mix

That was by no means the end of the story. By the late 1970s, it became clear that the discipline of marketing should not just cover the marketing of products and brands, but should also be relevant to the service sector (see, eg Shostak).<sup>9</sup> The marketing mix had to be made relevant not only to business-to-consumer (B2C) manufacturing companies, such as Coca-Cola, and business-to-business (B2B) companies, such as IBM, but also to suppliers of intangibles, such as airline companies (eg British Airways), hotels (eg Hilton), retailers (eg Wal-Mart) and banks (eg HSBC). The traditional 4P classification was clearly inadequate, and a search began

to expand the classification by including more Ps. The most widely quoted version of an extended marketing mix ('7Ps') includes 'physical evidence', 'participants' (or 'people') and 'processes'.<sup>10</sup> Physical evidence referred to the look and feel of the service environment, which contributed to the overall customer experience. Participants referred mainly to the character, motivation and skills of the service providers. Processes included the selection, training and supervision of the service providers, supported by data management based on information technologies. The 7P classification has been accepted by Kotler in one of the world's most widely used marketing textbooks (see, eg Kotler and Keller).<sup>11</sup>

**Cause-related marketing**

Another proposal has been made for the special case of cause-related marketing, where marketing plans are developed and executed that link customers and the company to promote social issues, such as protection of the environment.<sup>12</sup> In this special context, there are eight Ps, including people, partners, participation and passion. Both the 7P extended marketing mix and the 8P classification include P for people and this idea will provide a catalyst for our customer-centric approach described below.

**Positioning as function**

There have been other suggested additions to the marketing mix, including 'positioning', which focusses on perceptions in the minds of the target audience.<sup>13</sup> While accepting the importance of this idea, the present authors prefer to consider positioning as a function of the application of the four basic Ps, rather than as an independent element in the marketing mix. For example, the positioning of Apple's iPhone is a mainly a function of the product functionality and design, its price level and the corporate image of Apple Inc.

**Hayden's 5Ps**

A different marketing mix consisting of 5Ps has been suggested by Hayden.<sup>14</sup> She proposed a classification based on people, positioning, personal credibility, push plus pull and persistence. This 5P model has not posed a significant challenge to McCarthy's traditional 4P model, probably because, although containing some insight, her five elements of the classification are not on the same conceptual level.

**Performance equals outcomes**

There have also been suggestions to include P for programs in the marketing mix, but it seems to the present authors that a programme is an integrated formulation of the basic 4Ps into a plan with defined goals, strategies and forecast outcomes. P for performance could also be suggested, but performance measured by bookings, sales revenues, contribution to profits and so on is the outcome of a plan and its execution, not simply one of the marketing tools that have to be managed to attain the desired results.

**Other suggested Ps**

To the above proliferation of Ps, one of the present authors notes his personal contribution to the field by adding 'professional and personal service' in his lectures in marketing over the last 20 years.<sup>15</sup> Another suggestion is 'P' for 'purpose' (Institute of Management Technology).<sup>16</sup> When considered by the dedicated panel of marketing professors and practitioners (including the present authors), the conclusion reached was that this element was not just relevant to the function of marketing, but was a broader issue relevant to the organization as a whole. This topic may be addressed in a future article. So, at the time of writing, we can identify three possible categorizations of the marketing mix elements, depending on the point of view of different marketing experts: 'purists', 'modernists' and 'expansionists' (see Table 1).

**Table 1:** Possible categorizations of the marketing mix

Purists	Modernists	Expansionists
Product	Product	Product
Price	Price	Price
Place	Distribution	Place or distribution
Promotion	IMC	Promotion or IMC
		Physical evidence
		Partners
		People
		Processes
		Positioning
		Participation
		Passion
		Purpose
		Personal credibility
		Push and pull
		Persistence
		Programs
		Performance
		Professional and personal service

### Discomfort with state of affairs

In presenting the various categorizations in Table 1, we note in passing that the plurality of Ps (or any preferred subset of them) that might satisfy ‘expansionists’ exceeds Borden’s original multiplicity of marketing mix elements.<sup>2</sup> Assuming that most readers will adopt one of the above three optional categorizations, is everybody happy? Unfortunately not. Some readers, the present authors included, feel rather uncomfortable with the state of affairs described above. Our reasons are as follows:

- The actual term ‘marketing mix’ has not yet been defined and might even need to be refined. Everyone who has ever taught, studied or practiced marketing probably feels, ‘well, we all agree and know what it is’. But the present authors are not quite so confident and believe that the term itself requires clarification.
- Expanding IMC by adding ‘communication through the use of social media and viral marketing communication campaigns’ appears to bring the concept up-to-date. But it belies the paradigm shift that has occurred in consumers’ behaviour, attitudes and use of media and, therefore, hardly does it justice. This issue will be addressed in greater depth below.
- The marketing of services is clearly different from the marketing of products and would therefore benefit from having its own classification. This was recognized some years ago.<sup>9,17</sup>

### Future definition

In this article we will address the first two issues. We will first clarify the term ‘marketing mix’, then will consider how times have changed in the world of marketing, and finally will propose a new customer-centric paradigm for the marketing mix that is better fitted to the twenty-first century. In a future article, we plan to propose a new classification of the marketing mix that is more appropriate for the

service sector and we will consider how a different (but complementary) set of four Ps could be developed not just for products or services, but also at the organizational levels of companies or institutions.

**Spirit of the marketing mix**

**Clarification of the definition of the marketing mix**

It is first necessary to define the phenomena to be classified in the concept of the marketing mix. Van Waterschoot and Van den Bulte determined that, 'a marketing mix classification should explicitly make clear that it tries to schematize all the controllable demand-impinging instruments that are combined into a marketing programme used by the firm to achieve a certain level and type of response from its target market' (p. 8).<sup>5</sup> This definition seems to be theoretically correct, but we felt that it does not reflect the way marketing practitioners would put it and does not quite express the spirit of the way the marketing mix was originally defined by Culliton in 1948. The original definition perceived the marketing mix to be a management tool. We would add that, if we were to adopt a management orientation, we would link the definition to a sense of purpose: what goals are the marketing manager attempting to achieve when planning and using the marketing mix. To address these two issues, we would like to suggest the following definition: 'The "marketing mix" is the marketing manager's set of key tools that can be adjusted, improved or changed in order to match the needs of the marketplace, to gain competitive advantage and to maximize long-term profits'.

**Objects or activities**

This definition raises the question whether the elements of the marketing mix are objects (parameters, instruments and tools) or activities (procedures, policies and processes).<sup>8</sup> Shapiro considered them essentially to be tools, and this is the position taken by Kotler and also the present authors. In accepting this position, we would point out that it precludes the inclusion of elements such as people, participants, passion and purpose in the classification of the marketing mix, as they are not objects — tools that can be adjusted, improved and changed by the marketing manager. It also precludes the inclusion of processes, because that is the operational activity of adjusting, improving or changing the basic tools of the marketing mix.

**The purpose of business**

The above definition of the marketing mix raises another question: 'What is the purpose of a business?' Some company CEOs would concur with Friedman's dictum that the purpose of a business is to generate profits<sup>18</sup> and that the maximization of long-term profits should be the focus of any truly socially responsible CEO. But since the 1970s, it has often been accepted that a firm's goal should be defined in a broader manner, to optimize the interests of multiple types of its stakeholders. This more modern approach is adopted by socially responsible companies, such as Ben & Jerry's, and it is especially clear in all organizations that are not-for-profit. Hence, it would be more politically correct to define the marketing mix in a more generalized manner as follows: 'The marketing mix is the marketing manager's set of key tools that can be adjusted, improved or changed in order to match the needs of

**Table 2:** From 4Ps to 4Cs

Original marketing mix	Modern marketing mix	McCarthy's 4Cs	Lauterborn's 4Cs
Product	Product	Commodity	Consumers
Price	Price	Cost	Cost
Place	Distribution	Channel	Convenience
Promotion	IMC	Communication	Communication

the marketplace, to gain competitive advantage and to optimize the organization's stakeholder value'.

### The purpose of business

### From 4Ps to 7Cs: The context of the marketing mix

The original marketing mix was conceived as a company-centric, supply-side paradigm, offering 4Ps as the key marketing tools of the firm and particularly of the marketing manager. By the 1970s, there were some misgivings about this approach, and there were some attempts to replace the 4Ps with 4Cs (notably by McCarthy<sup>19</sup> and Lauterborn<sup>20</sup>). The main suggestions are shown in Table 2 below.

### 7Cs compass model

The above line of thinking was clarified in the Harvard Business School's 'Note on marketing strategy'<sup>21</sup> that described five Cs — the major areas of analysis that should be considered, before deciding on the firm's marketing mix: customer needs, company skills, competition, collaborators and context. Another attempt made to expand the classification is known as the '7Cs compass model', using McCarthy's four Cs as the base and adding three more Cs: corporation and competitors, organization and stakeholders, plus consumers plus circumstances.<sup>22</sup> In parallel, one of the present authors has been teaching the subject of marketing for about 15 years with a similar 7C model: customers, competitors, channels, costs, company, constraints and contacts.<sup>15</sup> The value of Dolan's 5Cs and either of the 7C models is that it gives a practicing marketing manager a checklist of items to consider before planning the traditional 4Ps or the modern marketing mix. Although the above attempts were noteworthy, in that they offered models of pre-requisites for the marketing mix, none of them represented a real adoption of a new customer-centric paradigm. It seems to the present authors that a proliferation of Ps has been replaced by a cacophony of Cs, but with no deep prior understanding to the extent to which the marketing environment has been changing.

### Counter-cultural movement

### The evolution process

Bob Dylan gave us ample warning in 1963 that, 'the times they are a-changing'. For marketing, these changes can be summarized as follows:

- People (politics and society)
- Technology (analogue to digital revolution)

- Media (especially the internet)
- Information (spread of knowledge)
- Money (economy and business)

Many of Dylan's critical observations and songs were written about social revolution in the USA. He observed the Civil Rights movement close up and became an icon representing the youth revolution of the 1960s. The counter-cultural movement was not just about hippies, sex, drugs and rock'n'roll. It incorporated a paradigm shift: social norms, attitudes and behaviour that were previously dictated by adults became defined by succeeding younger generations. This demographic shift and social revolution demanded (and still does demand) a paradigm shift in the way marketers see their world.

#### **Young early adopters**

And it was not just demographics — the technological environment was changing, too, as whole industries and product categories went from analogue to digital. The markets for computing, telecommunications, photography and music (among others) have been transformed. As the new virtual world (or cyberspace) has developed alongside the old familiar world of physical things, every aspect of human activity has become increasingly digitized. Functions such as record-keeping, shopping and even making friends have all taken on completely new forms.<sup>23</sup> The relatively recent introduction of the internet, on-line communication and social media has created completely new ways for people to communicate and interact with each other. It is younger people who have usually been among the earliest adopters of the successive innovations.

#### **Better educated consumers**

The above social and technological revolutions have had a profound effect on education, information and communication. Broadly speaking, consumers today are better-educated: they have better access to data and a better comprehension than that of their predecessors. Information about everything is available everywhere, often after just a few clicks of a smartphone. (This is not universally true — eg there is extensive censorship in the People's Republic of China). Marketing communication traditionally meant uni-directional broadcasting. Today, that has been replaced not only by company–customer dialogue, but also by multi-directional, peer-to-peer communication through social media networks.

#### **Global dimensions of change**

Finally, and in parallel to all of the above, there have been economic revolutions in the business environment. Economic prosperity and more-or-less steady growth have been replaced by geo-political and economic turbulence, unpredictability and heightened risk. The mass production-distribution-retailing-marketing paradigm is being challenged by micro-segmentation, social networking and consumer revolts. Moreover, all of the above changes have been described in merely general terms, without delving deeper into the global dimensions of change, regional differences and national nuances. Dylan was right, the times are indeed a-changing — probably in many more ways than that even he anticipated. But the questions that interest us are:

- What are the implications for marketing in the twenty-first century?

- Do we really have the appropriate paradigms for today's marketing environment?
- What should the marketing mix classification look like today?

### Changing business environment

### Marketing in the twenty-first century

The all-encompassing and unstoppable expansion of cyberspace is changing every single dimension of consumers' lifestyles. This information revolution has further been accelerated by the introduction of what is termed the 'Read-Write Web' or 'Web 2.0'. Within this emergent virtual domain, corporate blogs, online communities, social networks and wikis have redefined the routine lives of individuals and changed the way people relate to information, brands, other people and even themselves. Marketers cannot remain indifferent to this changing business environment. They are forced to rethink the way their companies do business, develop innovative approaches to marketing and, first and foremost, gain up-to date insights into what is going on in the hearts and minds of their present and potential customers.

### Online activities

Recent surveys conducted on young adults, in the age group of 15–24 years, have shown that they spend about six to ten hours online everyday. They access the virtual domain for a multitude of activities, ranging from searching for information, downloading music and videos to chatting with their friends. A broad classification as to why individuals venture online can be narrowed down to the following:<sup>24</sup>

1. Exploring the internet
2. Quest for information
3. Entertainment
4. Online shopping

As consumers spend large number of hours online, it clearly makes sense for marketing to use the online medium as a consumer touch point for product promotion and proliferation. This medium can be used to drive consumer engagement, for brand building, strengthening consumer evangelism and subsequent co-creation activities.

### Role of blogs in marketing

Leading companies are subsequently using the internet today for online marketing activities,<sup>25</sup> through digital tools like blogs and company-owned online communities. A corporate blog is an online webspace where companies can host organizational, brand-related, promotional or relational content to be circulated among consumers. As content on a blog starts increasing, online readership and circulation increases through inbound and outbound links from and to other websites, respectively. Consumers gradually start responding to the organizational posts by commenting and liking posts and by cross referencing on other sites. Several companies, like Dell, East West Airlines and General Motors, are using blogs for marketing.

### Online communities

Similarly, online communities represent virtual cliques of homogeneous groups of people who interact in a virtual environment, have



similar interests and share their thoughts on a large range of topics. Social networks directed towards marketing allow consumers to engage in peer-to-peer conversations regarding product attributes, their experiences as consumers and promotional campaigns. The interesting aspect here is that companies can motivate consumers in these online communities by instituting a point system based on longevity of presence and the volume and quality of participation. Several companies, like Apple, have used these online communities to give a nudge to consumer evangelism.

### Smartphone adoption

Another tool that has caught the fancy of youngsters today is the ubiquitous mobile phone and especially its latest incarnation, the smartphone, which has brought digital convergence to a new level. Smartphones are used today to converse, browse the internet, send mails and for downloading mobile apps that are used for a multitude of purposes. Needless to say, marketing has risen to the need to leverage this new communication medium.

### Consumer participation

The idea itself of improving the effectiveness of marketing by allowing customers to participate in the marketing process has been recognized for at least 20 years, especially in the domain of service marketing. What is new in the twenty-first century is that consumers have the technology at their fingertips to choose as to which particular consumer experience they prefer. For the demographic segment of Millennials born in the digital age, gaining the functional benefit of using a product is simply insufficient. They increasingly demand the emotional kick of becoming engaged in innovative ways with a brand. Marketers must now understand how the latest digital tools can provide their customers with added value through their feeling of being involved in an experience shared by their peers in cyberspace. A good example of this is the Burberry Kisses marketing campaign, developed in co-operation with Google.<sup>26</sup> Hence, the biggest implication of marketing in the twenty-first century is recognizing the need for consumer participation.

### Customer relationship ladder

#### Paradigms for contemporary marketing

Contemporary marketing has evolved with the advent of greater customer-centric marketing environments and frameworks. Companies clearly work with the consumers, identify their needs and subsequently create products based on their requirements. The entire framework of value creation, value communication and value delivery revolves around the consumer, his expectations and his relationship with the brand. The consumer relationship ladder<sup>27</sup> motivates organizations to convert the consumer from a mere procurer of a brand to an evangelist and subsequently a partner. It is further possible for companies to interact with and service the consumer better with the latest technological offerings. Technology has brought in analytical tools, sales force automation and provided data mining capabilities to organizations that process consumer data and synchronize their strategies based on consumer profiles, segments and expectations. The following section traces the incorporation of the following concepts in current-day marketing environments:

- Relationship marketing

- Customer relationship management (CRM)
- Co-creation
- Salesforce automation
- Digital marketing — their rise and integration with all marketing dimensions

### Investing in relationships

#### Relationship marketing

Theories of relationship marketing<sup>28</sup> centre around the need for brands to invest in brand–consumer relationships. Research has proven that, as a consumer acquires knowledge about a brand or product, his relationship with the brand improves significantly. Relationship marketing focusses on moving the consumer up the brand–consumer relationship continuum from a state of engaged to a state of involved and, subsequently, a state of loyalty. This is very relevant in the present digital times. Consumers who like or comment on a brand-related post in an online domain, community or social network are presumed to be engaged with the brand. Consumers who share brand-related content or recommend the brand to others are presumed to be loyal to the brand.

### Forming bonds with customers

#### Customer relationship management

CRM centres around building long-term and profitable relationships with chosen customers and getting closer to these customers with every point of contact with them. This is achieved by the formation of four types of bonds between organizations and consumers, especially using the digital medium.<sup>29</sup>

- *Social bonds* — Formed by peer-to-peer consumer interaction.
- *Financial bonds* — Formed by virtue of some financial transaction or perceived financial benefit between the consumer and the organization.
- *Structural bonds* — Formed by virtue of giving some structural access to a consumer like a login or email ID.
- *Relationship bonds* — Formed between organizations and consumers with the aim of achieving consumer loyalty and stimulating repurchase intent.

Theories of CRM also lay emphasis on the need to identify consumers with strong relationships<sup>30</sup> or profit potential and the need for organizations to recognize the strategically significant consumers and to develop long-term bonds with them to ensure consumer loyalty and higher customer lifetime value.

### Discussing new product ideas

#### Co-creation

Companies have embraced the need for change and have started involving consumers in co-creation for new product development and process improvement. Several online forums such as myStarbucks and Ideastorm

by Dell have been formed with the idea of involving consumers in discussions regarding new products and services and sharing these ideas with a larger community of other participants. These organizations subsequently embrace the most popular ideas, thereby becoming increasingly customer centric.

### **Enabling sales people**

#### **Salesforce automation**

Smart companies have embraced salesforce automation. This provides the sales force's access to central repositories of data that can be tapped by the salesforce across larger geographical locations. This also removes problems associated with data redundancy and duplication. At the same time, the organization can provide its salesforce with access to knowledge databases and information through regularly updated dashboards. Equally significant is the ability of this system to create management information reports where sales people can regularly update significant information pertaining to the volume of potential consumers targeted, potential conversions, and sales and lead pipelines.

### **Rise and integration with all marketing dimensions**

#### **Digital marketing**

The changing marketing landscape is evolving with the advent of:

- Internet strategy integration resulting in a combination of market, policy and IT, working in a complimentary or cumulative fashion. The internet plays a key role in the integration of information across suppliers, customers and the organization.
- Refined internet marketing metrics for evaluation of marketing performance and identification of key performance indicators, as a result of the campaign's requirement.
- Increase in wireless networking, resulting in a surge for demand for connected consumer electronics and substantially for better online consumer experiences. Consumer expectations about the quality of their connectivity are increasing as more and more of the devices are used for entertainment such as streaming movies or online gaming.
- Rising consumer ownership of computers, mobile phones and high-tech equipment leading to creation of a vast population of internet-savvy consumers with significantly high levels of internet literacy and enthusiasm, aiming at creating significant individual internet worth. Individuals with higher individual internet worth can be successfully used as opinion leaders and consumer evangelists for effective e-marketing.
- The era of big data, with the increasing volume and detail of information available online and the need to harness customer intelligence from data extracted by web crawlers. Marketing can benefit through better consumer segmentation, forecasting consumer trends and consumer analytics. Consumer profiling can help in extraction of consumer DNA, which can aid decision making in marketing.
- The growth of internet marketing metrics, like length and depth of consumer online visits, time spent online, page views, referring sites and so on that aid marketers in contacting customers accordingly.

- The era of e-commerce leading to online transactions in the wake of a population, constrained with time, but willing to spend, for convenience and ease of shopping. eBay (in the USA), Flipkart, Jabong and Mynta (in India) and Alibaba (in China) are some of the e-commerce companies offering the opportunity to shop online.
- Influencer marketing being practiced by top brands that reach out to influencers. In the online domain, these are bloggers or social media users with a more-than-average reach among consumers, and they are prized by marketers for their ability to spread the word about products or services they believe in. According to a Technorati Media study from December 2012, 65 per cent of top US brands reported participating in influencer marketing. A similar 64 per cent of these were deemed influencers by Technorati, which implies that they had more-than-average reach in specific marketplace-made revenue from blogging, either from advertisements on their site or sponsored endorsements from brands.
- Evolution of the internet. The dimensions of internet usage have changed with people using mobile devices to access the network, content available using the network and communication happening throughout the network, and technology standards that make the network possible.

### **Consumer decision process**

Companies that manage learning relationships with customers are able to customize their offerings for them. These customers stay with the company almost forever. The consumer decision process is an intrinsic function of consumer psychology and not achieved objectively in terms of product procurement. It is the psychological gain or losses that are the behavioural drivers. This is where the collaborative web can be utilized. Organizations can focus on reducing the psychological losses and mitigating the impact of any negative consumer thought or negative product information by engaging consumers into meaningful conversations.

### **Benefits to marketers and customers**

Digital marketing is beneficial to both marketers and customers. The benefits are traced as follows:

- Digital marketing provides rich resources for buyers, sellers and learners. Opportunities range from virtual marketplaces like Amazon and eBay to a series of online directories where organizations can get their products and services listed for online transactions and auctions. These online hubs for commerce are useful in both a B2B and a B2C context, offering an incredibly wide range of products and services. The USPs of these marketplaces are quite far reaching. They range from their global reach to the increased revenue generation by virtue of enhanced consumer participation and facilities like online auctions that thrive on healthy ecosystems of sellers and affiliates.
- Powerful branding and creation of a successful brand image are very important for any organization. Brands thrive on positioning and the

consumer–brand relationship. Online branding offers a myriad of opportunities to enhance brand identity and brand salience and increase consumer–brand resonance. This subsequently strengthens brand loyalty.

- Digital marketing presents unprecedented one-to-one communication and dynamic personalization during an online session by individualizing an impersonal, computer-networked environment; for example, a website may greet a user by his/her name or provide personalized information. Likewise, online advertising allows the customization of advertisements, including content and posted websites. For example, AdWords, Yahoo! search marketing and Google AdSense enable advertisements to be shown on relevant web pages or alongside search results.
- Digital marketing allows the consumers to not only consume the content hosted online by the organization, but also to generate content. This creates numerous opportunities for marketing and advertising functions to create consumer-specific content for increasing sales and for greater revenue generation.
- Digital marketing is cost-effective, specifically with reference to the ratio of cost to the reach of the target audience. Companies can reach wide audiences for a small fraction of traditional advertising budgets. The medium offers unlimited space on the web and, subsequently, marketers can present items that would not be cost-effective in print.
- The internet opens up the market to new groups of customers and allows them to research and purchase products and services conveniently. The medium is not limited by geography or time, customizes powerful extranets to the company and individuals, and also allows profitable strategic business alliances and affiliations.
- Internet marketers also have the advantage and ease of measuring statistics inexpensively, and almost all aspects of an internet marketing campaign can be traced, measured and tested. This is possible as online marketing initiatives usually require users to click on an advertisement, visit a website and perform a targeted action.
- The immediacy of online content creation and consumption has contributed to the emerging area of interactive advertising and presents fresh challenges for advertisers who have hitherto adopted an interruptive strategy.
- Digital marketing involves multiple communication vehicles and platforms. Digital marketing vehicles include email, instant messaging and podcasts. Podcasting derives from Apple's ubiquitous iPod. With podcasting, consumers can download audio files (podcasts) or video files (vodcasts) via the internet to an iPod or another hand-held device and then listen to them or view them whenever and wherever they wish. The flexibility offered by the internet represents its potential as a mass medium, for example banner advertisements, as an addressable medium (as in case of emails) and as an interactive medium (as in the case of live chat). Platforms include PDAs, personal video recorders and cellphones.

<b>Twenty-first century paradigm</b>	<p><b>Towards a customer-centric marketing paradigm</b></p> <p>The study of the concepts of relationship marketing, CRM, co-creation, salesforce automation and digital marketing has led the authors to believe that, in addition to the essentially twentieth century, company-centric paradigm of the marketing mix, marketing managers would do well to adopt a twenty-first century, customer-centric paradigm, and refer to it before planning the marketing mix.</p>
<b>Customer mix</b>	<p>As pre-requisites of the marketing mix, marketers should identify and understand the customer mix, defined as follows: <i>The customer mix is the set of personal elements that determine the source of demand, purchasing preferences, consumption patterns and the relationships between the consumers of goods, services and experiences and their suppliers.</i></p> <p>The ‘customer mix’ paradigm includes four key characteristics, each starting with the letter ‘P’:</p> <ul style="list-style-type: none"> <li>● People</li> <li>● Personalities</li> <li>● Perceptions</li> <li>● Participation</li> </ul>
<b>People</b>	<p>The twenty-first century is witnessing a new typology of customer. The contemporary customer is more empowered, internet-savvy, has greater access to information in the digital world and is being targeted by organizations in a very competitive environment. The present-day customer has a variety of choices and relies hugely on peer reviews, website information, internet searches and comparisons pertaining to product attributes and prices. Of equal importance is the ability of the customer to create content online by interacting with organizations in the public domain. It is in the interest of marketers to keep customers happy and satisfied to help create a positive word of mouth and an appropriate online reputation.</p>
<b>Personalities</b>	<p>Marketing now has to deal with customers in a far more structured way through segmentation and profiling endeavours. Each customer has a specific personality, and his relationship with a particular brand becomes the predominant factor in influencing his purchase decisions. However, his individual personality traits also influence the way he interacts with a brand in this digital age. Studies on consumer segmentation have been able to generate consumer profiles, like cognizant techno-strivers, moderate digital ambivalents and techno-savvy impulsive,<sup>31</sup> based on individual personality traits and their ability to navigate the digital space. Further studies have generated other classifications, like flamboyant conservatives and internet moderates. Hence, intelligent marketers collect consumer-specific information and create appropriately targeted programs.</p>
<b>Perceptions</b>	<p>Contemporary marketing is also seeing the evolution of the consumer perception paradigm. The reason, again, is the ability of the digital age to influence and reshape consumer perceptions regarding products, brands and services. Changes in perception alter the brand–consumer relationship, issues pertaining to consumer behaviour and the future consumer repurchase intentions.</p>

## Participation

In an increasingly competitive environment, each player has to compete with several others to attract the consumer's attention. While the digital world has seen the proliferation of numerous gadgets, methods, online tools, apps and networks, it has also seen the creation of humongous volumes of content. There is now a new problem of information overload for the customer. The answer lies in the engagement of the customer by the organizations and brands and soliciting his participation to provide emotional added value that ultimately will lead to marketing success. Coca-Cola Inc provides various good examples of this, such as the 'Coca-Cola Village' in Israel since 2008 and the 'Share a Coke' campaign that started in Australia in 2012 and has by now been expanded to over 70 countries. Not surprisingly, Coke's arch competitor Pepsi-Cola was reported to be launching a new 'Pepsi Challenge' campaign in 2015, based on the idea of using social media to reach out to their target audience of Millennials and encourage customer participation in their globally shared experiences.<sup>32</sup>

## Digital marketing communication 2.0

### Conclusions

The above discussion regarding the evolution of the marketing mix and the importance of recognizing its pre-requisite, the customer mix, clearly emphasizes an increasing need to communicate effectively with customers and the need to invest in digital marketing communication. In the light of the above analysis, we can address the subject of IMC and trace how it has been updated to fit the needs, wants and desires of twenty-first century customers. We can digitalize its title by calling the updated version DMC 2.0 (digital marketing communication 2.0) and define it as the process of developing a dialogue with customers and facilitating conversations between customers using internet-based communication platforms. DMC 2.0 should be planned to promote customer intimacy and to encourage the customer's participation in the process of gaining knowledge about the brand, buying the branded product/service, liking it and developing loyalty towards it.

## Encouraging purchase

DMC 2.0 depends on database marketing, customer intelligence and marketing analytics to aid in decision making. Customer profiling software and tools for consumer segmentation in the virtual world are fast changing the way marketing was done earlier. DMC 2.0 includes the use of social media and the development of viral marketing communication campaigns for it must be based on interactive communication between suppliers and customers and between the customers themselves. The ultimate purpose of DMC 2.0 is the same as for traditional IMC: encouraging people to buy particular products, change their attitudes towards brands or change their social habits, and it should be part of every modern marketing communication campaign.

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