

THE MARKETING MIX PARADIGM: QUESTIONING ITS RELEVANCE THROUGH KUHN'S CONCEPT OF PARADIGM SHIFTS

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Abstract

In this paper the paradigm shift from marketing mix to relationship marketing is studied in greater depth through the lens of literature from Thomas Kuhn's perspective of paradigm shifts. In the marketing discipline a paradigm shift is being seen evolving from marketing mix to relationship marketing. As in the words of Kuhn, paradigms are only good until they hold on to the promise of solving day to day problems which the scientific discipline faces. A paradigm is only accepted by a discipline until no other paradigms other than it helps in solving problems. The marketing mix paradigm has been in dominance since the 1940's. It did work well back then because the physical goods constituted the majority of the economy. However, today's world demands much more than the 4ps for a firm to sustain in the fiercely competitive service and industrial dominant markets. In meeting needs of consumers in a mutual beneficial manner maintaining long-lasting relationship with consumers is required more than ever now.

Keywords: Paradigms, Marketing Mix, Relationship Marketing, Service Marketing, Industrial Marketing

1. INTRODUCTION

Is Dominance of Marketing Mix Paradigm in Question? the answer to this question is sought in this paper with the help of Thomas Kuhn's perspective of science. In this paper the paradigm shift concept of Thomas Kuhn is employed to understand how paradigm shift is taking place from marketing mix to relationship marketing in the marketing discipline.

However, to understand how this paradigm shift is taking place from marketing mix to relationship marketing, it is of paramount importance to first understand the concept of paradigms from Thomas Kuhn's perspective. Thomas Kuhn describes paradigms as theories, methodology, concepts that a scientific discipline takes for granted (Kuhn, 1996). Paradigm can take a form of theory like for example, "Theory of Relativity" in Physics on which the scientific community of physicists widely don't dispute upon (Kuhn, 1996). In addition, paradigms can also be "set of shared values" among the scientific community and symbolic generalizations like " $E=Mc^2$ " (Kuhn, 1996 pp200).

When Paradigms get dominant, the scientific community takes theories, methods, concepts for granted so that they can focus their attention towards more detailed and bigger problems in their respective scientific disciplines (Kuhn, 1996). This is when science is said to have entered the phase called by Thomas Kuhn as "normal science" (Kuhn, 1996). The dominant paradigms help in directing researches in scientific disciplines (Kuhn, 1996).

However, paradigms don't last forever (Kuhn, 1996). According to Kuhn (1996) there is no final paradigm which can explain everything or is the final truth. Paradigms are useful only to the extent when they serve the purpose of solving and explaining day to day problems faced in scientific disciplines (Kuhn, 1996). Thomas Kuhn in his book "The structure of

Scientific Revolutions" makes the analogy of the same with puzzle solving (Kuhn, 1996).

The marketing mix was originally proposed by McCarthy in 1960 which served as a tool for marketers to offer product offerings to the customers by adjusting the 4ps i.e. price, product, place and promotion (McCarthy & William, 1963; Anderson & Taylor, 1995). Kuhn's perspective is thus applied in this paper to understand how dominance of the marketing mix took place and how that dominance is now shifting to relationship marketing. Several studies (Moller 2006; Gronroos 1994; Popovic 2006) suggest the marketing mix paradigm has been dominant since decades but it's not free of pitfalls.

When a dominant paradigm is not able to solve problems, paradigm shift takes place (Kuhn, 1996). The shift occurs from old to new paradigm because of provisions for better solution to the new problems faced by a scientific discipline (Kuhn, 1996). In the marketing discipline a similar kind of paradigm shift is seen taking place from marketing mix to relationship marketing (Gronroos, 1994).

2. EMERGENCE OF MARKETING MIX AS THE DOMINANT PARADIGM

Marketing has itself evolved from several marketing ideas in the past starting from the oldest production concept to the marketing concept which emerged in 1950's (Kotler and Keller, 2012). The marketing concept emerged in the mid-20th century from product centered philosophy of "make and sell" to "sense and respond" philosophy (Kotler & Keller 2012 pp 18). The marketing concept is based on the notion to sense the needs and wants of the consumers and tailor offerings which best satisfy and meet their needs and wants (Kotler & Keller, 2012).

To tailor product offerings which best meet and satisfy the needs and wants of the consumer's, marketing mix was first coined by Neil H Borden in 1949 (Anderson & Taylor, 1995). Borden got the notion of marketing mix from his fellow Harvard colleague James Culliton when he was referring to the job of business executive as "a decider" "an artist" and "a mixer of ingredients" (Anderson & Taylor, 1995).

Borden included 12 major elements in his marketing mix which were namely product pricing, planning, branding, channels of distribution, personal selling, advertising, promotions, packaging, display, service, physical handling and fact finding and analysis (Anderson & Taylor, 1995). McCarthy and William (1960) in their book "Basic Marketing: A Managerial Approach" categorized these 12 elements given by Borden into four major categories. McCarthy conceptualized these four categories as 4ps of marketing mix and named them price, product, place and promotion (McCarthy and William, 1960).

Other theories which were also prevalent before 1950's also offered solutions on how to satisfy the needs and wants of consumers in markets (Goi, 2009). For example, Von

Stackelberg (1939) (as cited in Goi, 2009) in 1930's gave the theory of action parameters which resembled closely to marketing mix. Researchers in 1950's Ramussen (1955) and Mickvitz (1959) (as cited in Gronroos, 1994) worked further on the works of Von Stackelberg and developed "Parameter theory" which was quite dynamic in helping marketing managers to satisfy the needs of consumers at that time.

Organic functionalist theory was also proposed by Wroe Alderson in 1950 (as cited in Gronroos, 1994) and systems-oriented approach proposed by Fisk and Diskon in 1967 (as cited in Gronroos, 1994) were among the other theories apart from parameter theory. McCarthy's Marketing mix proved to become an unchallengeable model and it overpowered all other previous theories very quickly and made its way in the marketing textbooks (Taylor & Anderson, 1995). Marketing Mix gained dominance over all the other theories and rose to become a dominant paradigm (Gronroos, 1994).

Kuhn (1995) in his book suggests that some paradigm gains dominance over other paradigms when the paradigm helps in better solving of problems than others. Marketing mix paradigm also gained dominance in a similar fashion as Kuhn talks about in his book (Gronroos, 1994). Marketing mix gained prominence over all other theories of its time as it could better help in tailoring a product which best met the needs and wants of consumers (Taylor & Anderson, 1995).

Kuhn (1995) suggests dominant paradigms help in paving the way for establishing "normal science". Kuhn (1995) refers to "normal science" as the phase when the scientific community takes the dominant paradigm for granted. Kuhn is of the view that scientific progress takes place in this phase of normal science because scientists tend to focus their attention on more detailed problems which the scientific discipline faces (Kuhn, 1996). The 4Ps of the marketing mix too became quickly indisputable and were taken for granted by the marketing discipline (Kent, 1986). The dominance of the marketing mix paradigm is seen more evident in Kent's (1986) work where he referred to the marketing mix as the "holy quadruple of the marketing faith".

Marketing mix paradigm helped in advancement of both marketing theory and practice (Möller, 2006). Marketing mix was perceived by marketing managers as easy to handle because they could allocate resources in accordance with the 4Ps to tailor products that would best satisfy the needs and wants of target markets (Goi, 2009). It also helped in separation of marketing activities from the firm and delegating the responsibilities of marketing-to-marketing managers (Goi, 2009). The marketing managers then decided efficiently about tailoring the 4Ps i.e. Product, Pricing, Promotion, and how will the product be distributed and made available to the market i.e. fourth P "Place" to meet the needs of consumers (Goi, 2009).

3. ANOMALIES IN MARKETING MIX PARADIGM

Thomas Kuhn (1995) in his book compares normal science with a puzzle solving activity in which the day-to-day problems of science are solved like puzzles and rules are set by the dominant paradigms. However, when a dominant paradigm is not able to explain other aspects of phenomenon an anomaly starts to surface (Kuhn, 1996).

If the anomaly is left unresolved by the current paradigm and are accumulated with time, the trust in the dominance of that paradigm weakens (Kuhn, 1996).

Marketing Mix paradigm also suffered anomalies of the same kind when it came to services and industrial marketing (Gronroos, 1994). The shortcomings in product markets too were also evident from the marketing mix paradigm (Gronroos, 1994).

Popovic (2006) is of the opinion that the marketing mix doesn't take customer relations into consideration, but instead keeps the focus on the 4ps of the marketing mix. Moller (2006) says the marketing mix framework has nothing to offer in interaction with the customers and building of long-lasting customer relationships.

Kellerman et al. (1995) suggest most of the business executives do not themselves consider all the 4ps of the marketing mix of equal importance, but instead prefer first two Ps

i.e. price and product of utmost importance in tailoring a product offering to satisfy the needs of target markets.

A marketing paradigm to suffice for dominance should stand the test of marketing concept i.e. it should best satisfy the needs and wants of the consumers in the respective target markets (Goi, 2009). Numerous scholars (Gronroos, 1994; Moller, 2006; Popovic, 2006; Goi, 2009) are of the opinion that marketing mix paradigm has proved to be a bad fit to the marketing concept.

Rafiq and Ahmed (1995) concluded in a study conducted in Europe among marketing academics of United Kingdom and European countries that there is a high level of dissatisfaction among the marketing academics with the 4Ps model and are of the view that it's a deficient model.

According to Gronroos (1994) the firm which uses only 4Ps to tailor its products to satisfy the needs and wants of consumers never comes to know whether their customers are inurn satisfied with the product or not. Gronroos (1994) argues that a firm might have a good market share but with dissatisfied customers. Gronroos (1994) further argues the reason for good market share might be aggressive promotion strategies in which new customers enter and old customers leave the market at the same time. Thus, questioning the long-term sustainability of the 4ps concept.

The 4ps of the marketing mix paradigm as a list of 4 variables are not enough to explain the phenomena (Gronroos, 1994). Scholars like Lambert & Harrington (1989) and Collier (1990) (as cited in Gronroos, 1994) who subscribe to the marketing mix paradigm offered addition of more Ps, with an addition of a fifth p as the "service". Gronroos (1994) argues that makes the problem even worse because customer service gets limited to a marketing variable left to the responsibility of the marketing department only instead of the whole organization.

Firms in consumer markets have faced tremendous problems in competition by adopting the 4ps marketing mix model (Gronroos, 1994). As customers could easily switch from firm to firm on the basis of offered 4Ps by different companies, leaving an unanswered question of how to prevent losing customers on a long-term basis (Gronroos, 1994).

The major source of anomalies that have surfaced from the marketing mix paradigm are from the areas of service and industrial marketing (Gronroos, 1994; Rafiq & Ahmed, 1995; Moller, 2006; Goi, 2009). Industrial marketing requires more than what McCarthy's 4 Ps can offer because it requires higher interdependence between buyer and seller (Rafiq & Ahmed, 1995). Webster (1984) emphasized that the focus of industrial marketing is primarily on buyer-seller relationships rather than the product itself. In industrial marketing buyer seller interaction process is largely based on the negotiation process in contrast to persuasion by using marketing mix (Rafiq & Ahmed, 1995).

Industrial marketing requires building long term relationships in marketing than simple manipulation of the 4Ps (Rafiq & Ahmed, 1995). The marketing mix paradigm fails to provide for such long-term relationships, as it does not account for personal relationships between buyer and sellers (Gronroos, 1994; Ahmed & Rafiq, 1995). Gummesson (1987) suggests building long term relationship in industrial marketing is of paramount importance for firms' long-term profitability than accomplishing immediate sales, because personal relationships if well-groomed lasts longer than loyalty towards the product or a brand does.

Marketing mix or the 4 Ps model is also not able to solve the problems that arise by using this approach in services marketing (Gronroos, 1994). Booms and Bitner (1981) added additional 3 Ps namely participants, physical evidence and process to adjust the marketing mix paradigm for tailoring the services offered to customers. However, since service is intangible by nature it gets mostly difficult for marketing managers to formulate marketing mix in service marketing context (Rafiq & Ahmed, 1995).

In service organizations that sell service to satisfy the needs and wants of the chosen target markets, the marketing mix paradigm even with 7Ps limits marketing activities to the marketing department of that service firm (Gronroos, 1994). By using the 7Ps marketing mix approach the customers might come in contact with employees of departments other than that of marketing who may not even be aware of the marketing activities of their firms (Gronroos, 1994). Limiting the marketing activities to the marketing department only proves detrimental to the organization, because a customer views the service organization as one entity and expects uniformity in behavior of all employees (Gronroos, 1994).

4. PARADIGM SHIFT FROM MARKETING MIX TO RELATIONSHIP MARKETING

The concept of Relationship marketing was given by Berry in 1983 at American marketing associations services marketing conference and was thereafter published in the conference proceedings (Berry, 2002). Relationship marketing refers to development of deep enduring long lasting relationships between the firm and its customers in a mutually beneficial manner (Kotler & Keller 2012).

Thomas Kuhn (1996) says a paradigm shift takes place when a new paradigm is better able to solve problems for which the old paradigm can't offer solution to. The new paradigm brings with it a promise of better solving of

day-to-day problems which a scientific discipline face (Kuhn, 1996). The anomalies which appears in the old paradigm becomes of central importance to the new paradigm (Kuhn, 1996).

Relationship marketing offers solutions to most of the problems faced by the marketing mix model (Gronroos 1994, Berry 2002). Furthermore globalization, increasing competitiveness and increasing emphasis on customer retention economics have further made it imperative on requirement of a new paradigm (Gronroos, 1994). A paradigm shift can be seen in a similar fashion as Kuhn says, from marketing mix to relationship marketing being the new paradigm (Gronroos, 1994)

The relationship marketing has secured an important place in marketing theory and is being an integral part of several marketing textbooks (Kotler & Keller, 2012). Several textbooks have been published in services and industrial marketing based on relationship marketing as the new paradigm (Gronroos, 1994; Thurau, 2002; Kotler & Keller, 2012).

The 4 Ps of marketing mix didn't have much to offer on how to retain customers (Payne & Frow, 2017). In experiencing intense competition among firms, it becomes imperative on firms to maintain a loyal customer base by embracing relationship marketing (Payne & Frow, 2017). Relationship Marketing not only helps to retain loyal customers but also helps in attracting new customers (Berry, 2002). It adds them to the loyal customer base by maintaining and building long lasting relationships which is mutually beneficial to both firms as well as customers (Berry, 2002).

Gronroos (1994) says relationship marketing is greatly based on the "promise" concept, by which he means the promise made to attract new customers should be kept. Keeping the promise is essential in order to retain and build trust in customers for ensuring long term profitability of firms (Gronroos, 1994).

According to Moller (2006) the 4 Ps are limited to situations which require a short-term and transaction-based marketing approach. Kotler & Keller (2012) emphasizes that a firm should shift their focus from pursuing short term transaction-oriented goals to long term relationship building goals to ensure sustainability of both firm's profitability & existence in the market. Berry (2002) suggests relationship marketing to be the key for long term sustainability of profits and firm's existence.

Relationship marketing is based on long term time perspective with interactive marketing as the dominant marketing function (Gronroos, 1994). The quality of interaction of customers with the firm is of greater importance in relationship marketing, which if handled properly ultimately becomes the dominating factor in retention of customer base (Thurau, 2002).

In contrast to monitoring market share, customers satisfaction the relationship marketing is measured by managing the customer base and employing a real time feedback system (Berry, 2002).

Unlike marketing mix paradigm which encourages firms to separate the business of marketing-to-marketing department (Berry, 2002). Relationship marketing places internal marketing of substantial strategic importance

to achieve success and stresses on interdependency of operations, personnel and marketing departments (Gronroos, 1994; Payne & Frow, 2017). Relationship marketing places its success in making sure through internal marketing that marketing is the business of every employee and every department of a firm (Gronroos, 1994; Payne & Frow, 2017).

5. CONCLUSION

As in the words of Kuhn a paradigm is good only till it holds on to the promise of solving day to day problems better than other paradigms in a scientific discipline. There is no such thing as a fixed paradigm any paradigm that helps in solving problems efficiently and effectively better than others shall be employed by that discipline by shifting on it.

The marketing mix paradigm has been in dominance since the 1940's and it did work well back then because physical goods constituted majority of the economy. However, today's world that entails service and industrial economies demands much more than the 4ps from firms. In meeting needs of customers in a mutual beneficial manner maintenance of longlasting relationships with consumers is required more than ever.

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