

COMPETITIVENESS AND PERFORMANCE REFLECTED IN THE NEW 7P AND 9P MARKETING MIX

Andy-Felix JIȚĂREANU

Iași University of Life Sciences, 700490, Romania

andyjitareanu2@yahoo.com

Mioara MIHĂILĂ

Iași University of Life Sciences, 700490, Romania

mioara@uaiasi.ro

Abstract

In the last 10 years, specific marketing activities are increasingly visible. However, marketing is not only about the mode of action, but also involves tuning to the latest theories that have emerged as a result of social and economic progress and the requirements for competitiveness, quality and performance. Through this paper we aim to highlight the relevance of marketing complexity for a free market, by considering a new form of marketing mix approach, going beyond the traditional 4P form. Currently, the market and enterprises are guided by the 7P or 9P marketing mix strategies, which will be analyzed in the paper. The question posed in support of this study is: what context led to the advancement from four to seven or nine components of the marketing mix? What exactly made the 4Ps no longer enough? The purpose of the paper is to present, from the point of view of significance for the company's performance, the current components of the marketing mix, through an applied study on two small economic units from Iași County. The results of the empirical, descriptive research show that the new variants of the marketing mix are a practical and functional reality, which bring benefits to businesses.

Key words: competitiveness; marketing mix; market power; 7P; 9P.

JEL Classification: M31, Q12, Q13

I. INTRODUCTION

Current marketing approaches are predominantly practical, especially in a highly competitive economy. Given that at the level of understanding by the general public, there is still confusion between marketing and promotion, we consider it appropriate to highlight the basic role of marketing at the enterprise level and how it evolves from the point of view of implementation techniques. The applicable field of marketing is complex and involves a multidimensional approach, an intersection with other vital fields (management, finance, accounting, informatics, sociology, psychology), as well as numerous analyzes of progress on a long and multivariate circuit. Focusing on the interests and personality of the consumer is not clearly presented as another component of marketing. The traditional approach predominantly sees marketing goals as setting sales growth or customer acquisition. One of the most relevant subtopics of marketing analysis is that of the *marketing mix*, which is a support for practical work at the enterprise level, but also an object of study for the research field. It can be perceived as a paradigm, with its famous version of the 4 P (Dominici, 2009). According to Chong (2003) cited by Goi (2009), marketing mix is originating from the single P (price) of microeconomic theory. Chronologically since the formulation in 1960 of the marketing mix concepts in the 4P variant, by Jerome McCarthy, and updated with Perreault W.D. Jr. in 1987, it has advanced to the 7P or 9P stages, and some recent specialist references also consider the 11P variant.

Although it is apparently predominantly theoretical, the present work is an empirical qualitative research, based on the descriptive method, synthesis and interpretation. Even if qualitative approaches are not widely accepted in the domestic research environment, they have a great practical relevance for marketing decisions, given that they say more "how" and less "how much". In this sense, we proceeded to query information from primary and secondary sources, followed by their processing. As the first pilot study for this topic, we opted for 2 dairy production units from Iași County: Azolact SRL and TransGigel SRL. Both are small and medium-sized (SMEs). We started by observing the progress of these enterprises in the relationship with the market, progress highlighted primarily by the increase in market share and the creation of an image based on trust among consumers. The working hypothesis was that these favorable results are due, at least in part, to the 7P or 9P marketing mix strategies, which will be described in the next subsection.

II. THEORETICAL ALIGNMENT OF THE MARKETING MIX WITH SOCIO-ECONOMIC CHANGES

The general marketing literature is rich, especially the international one, but modern approaches are rather focused on aspects of promotion, sales, customer relations. Approaches that encompass marketing as a whole, from production to investment and post-consumption activities, are less. The local literature is relatively limited in this sense, and marketing is treated in a more traditional way, with the specifics of the 80s in the USA, when it was prevalently discussed about techniques to increase the volume of sales, to attract customers, to promote, etc. Nowadays, society and economies have advanced, and this approach is not only out of date, but limiting it can affect the economic performance, competitiveness and market image of enterprises. According to Pater and Cristea (2018; p. 420) "essential in any modern competitive organization, the marketing of lasting/sustainable business - a holistic/ systemic marketing - in the 21st century, is oriented towards the development of new concepts, techniques, models and scientific methods." But without creating a link between the reference components of marketing, both theory and practice remain irrelevant. In this context, the marketing mix proves to be the optimal binder, i.e. a connecting concept made up of marketing pillars. According to Jumari and Astutiningsih (2022), "the marketing mix consists of all the things that an enterprise can do to identify the demand for its products." The marketing mix remains one of the elements most used in marketing practice and theory, as a planning but also a decision-making tool, and it represents the tactics through which the various proposals are supported through which an enterprise creates value for each target segment, with price and services appropriate, through channels, processes and evidence to support them. (CIM, 2021)

From a chronological point of view, initially the marketing mix was built from four basic pillars (4Ps): product, price, placement, promotion. The first model was presented in "Basic marketing: a managerial approach" by American marketing professor Edmund Jerome McCarthy, in 1960. However, this variant was not sufficiently valid for a long time, given that companies ended up facing more and more challenges. The evolution of the marketing mix has not stopped, as the progress of society and other global changes have not stagnated either. In addition, as the scope of marketing continued to develop, 3Ps were added to the 4Ps: *people, process, physical evidence*. The new 7P marketing mix model was proposed by Booms and Bitner only 21 years after the first model was stated (1981). Later, it moved to the 9Ps, a systemic model developed on the basis of 11 enterprise functions that are more closely associated with holistic or systemic marketing. (Pater and Cristea (2018). Table 1 shows the components of the 7P marketing mix in detail and descriptively.

Table 1. Components of the marketing mix 7P

	Component	Elementele de referință pentru piață și întreprindere
1	Product	quality, image, branding, variants, features, sales services, occasions of use, availability
2	Promotion	communication, promotional sales, public relations, branding, direct marketing, personal sales, guarantees
3	Price	positioning, listing, discounts, credit, payment methods, facilities, added value, freebies, loans
4	Placement	distribution channels, sales support, number and size of intermediaries, segmented channels, logistics, technology
5	People	involvement in marketing activity, contact with sellers, recruitment, culture, image, skills, training, remuneration
6	Processes	customer focus, business management, IT support, design, research and development
7	Physical evidence	sales, brand contact, packaging, online experiences

Source: adaptation and processing after Caveney, L. - *Marketing Mix Elements: 7 Ps of Marketing*, în Ruler Analytics (2022).

The 7Ps were reconsidered of about 25 years, so more 2Ps appeared and various versions of the 9Ps were proposed, the best known in the literature being the version launched by Larry London (2007) and the mixed version proposed by Pater & Cristea (2018). Table 2 shows the two current variants of the 9P marketing mix.

Table 2. The 9P components of the marketing mix in 2 variants

Variant 1 - Larry London (2007)	Variant 2 - Pater & Cristea (2018)
<i>Common components</i>	
Product	Product
People	People/ staff
Price	Price
Placement / Distribution	Place
Promotion	Promotion
<i>Various components</i>	
Partners / Strategic alliances	Positioning on market
Presentation	Potential resources
Planning and Research	Planet
Passions	Process

Source: Pater, L.R., Cristea, S.L. - *A systemic characterization of organizational marketing*, în Procedia - Social and Behavioral Sciences 238 (2018) 414 – 423

According to Pater and Cristea (2018), the characteristics and specificities of the 9Ps of the marketing mix are as follows:

1. *product*: the sustainability requirements of the whole product or waste in the circular economy based on 5R: reduction, reuse, repair, reconditioning, recycling and in external environments;
2. *people*: is about the culture, health and behavior of people involved in the value chain;
3. *price*: the objectives for cost and integrated efficiency in the market and other external environments consist of a new approach for the economic, ergonomic, ecological, aesthetic, social, cultural approaches;
4. *place*: the requirements of distribution of whole products and waste in space or time to customers or consumers in the market and other external environment;
5. *promotion*: the communication with the market and other external environments, stimulating the transactions or sales of the whole sustainable products and the recovery of waste.

For the various components, Pater and Cristea (2018) present the following characteristics:

1. *positioning on market*: the desired performances of the organization in the target market and environments;
2. *potential resources*: the availability of natural, financial and material resources;
3. *planet*: the requirements of ecological balance, biodiversity and security of the value chain;
4. *process*: the sustainability requirements of processes on the value chain.

For components varied by the London variant (2007), the characteristics are as follows:

1. *partners / strategic alliances*: the organization of business collaborations with market partners, including competition, through which two or more partners support each other for mutual advantages and ensuring market competitiveness;
2. *presentation*: capitalizing through exposure and transparency of each of the "P's" of the marketing mix, especially to ensure the trust and convictions cultivated among investors, customers, partners, etc.;
3. *planning and research*: creating a marketing plan by considering management functions and making decisions including in agreement with the results of market research;
4. *passions*: the belief in the intrinsic values of the marketed products and of the enterprise, through the deep analysis of the message that is conveyed to the public.

III. THE NEW 7P'S AND 9P'S OF THE MARKETING MIX – AN ENTERPRISE-LEVEL OVERVIEW

Highlighting the practical aspects of the transition from the 4P to the 7P or 9P strategies is a form of qualitative analysis, which involves identifying the components of the marketing mix within an enterprise, in the relationship it has with the market. We chose for the study two enterprises specialized in dairy production, from Iași county: Azolact SRL founded in 2021, and TransGigel SRL in 1994. For each of them we have selected a set of analysis indicators and market linkage information. The summary of the results is presented in table 3.

Table 3. Synthesis of performance results and market relations for 2 dairy manufacturing companies

Indicators	Company	
	Azolact SRL	Trans-Gigel SRL
Turnover - 2021 (lei)	547.617	6.359.918
Profit	300.296	376.423
Number of employees	-	39
Products	Goat's milk specialties	Dairy and basic derivatives
Assortment diversity	High	Medium
Price	Medium / High	Low
Distribution	Local, national Short and medium chains	Local Short chains
Promotion	Relatively intense	Limited
Elements of the 9P marketing mix	<ul style="list-style-type: none"> - Transparency - Easy delivery - Technology investments - Creative name "Pui de drag" - Packaging recycling - Modern concept and design - Originality - The pursuit of passion - Clear and simple mass-media visibility 	<ul style="list-style-type: none"> - Asserting local values - Food health - Honest prices - Local distribution upon request - Support local producers - Balanced resource management - Rigorous planning - Mass-media visibility very reduced

Sometimes, it is considered that the SME's are faced with several problems in the marketing mix approach, as follows: how to determine a target market, low products diversification, problems in product pricing and distribution strategy as well as the relationship with other parties (Mujiya Ulkhaq et. all, 2018).

A factor with a vital role in the issue of integrating the new and modern marketing mix into the business activity is *creativity*. It is noted that the 4Ps of the marketing mix developed into 7P, then into 9P, primarily because the market experienced multiple and intense changes, in which creativity and assumption had a considerable contribution. Added to this is the originality in the approach to the market and the consumer, the capitalization of all opportunities and the open attitude from a multidisciplinary perspective. A complex and assumed creative process is especially appropriate when the enterprise decides to launch a completely new product on the market.

Common marketing objectives such as increasing sales volume, maximizing profit and gaining market share are achieved by the two enterprises. However, they also have other favorable results obtained as a result of considering new variants of the marketing mix. Among these are: gaining and maintaining a stable image on the market, winning consumer trust, stability and sustainability, results of technological progress capitalized in the production chain etc.

IV. CONCLUSIONS

As an economic and social reality, in today's society the perspectives have changed considerably, and the links between the enterprise and the market are no longer only of the form of production-consumption, but also involve subtleties of this link. For these reasons, the present paper is approached from a new perspective. The implementation of marketing mix strategies in the form of 7P or 9P has a favorable impact not only on increasing the volume of sales, but especially on the stability of the brand and ensuring the sustainable activity of the enterprise. The results of the study show that the 9P marketing mix strategies, although applied in different ways associated with the two forms of the 9P marketing mix, brought multiple and varied benefits to the enterprises that decided to go beyond the 4P marketing mix stage. In the case study, we started from the results observed in the consumer market: production diversity, superior product quality, new product assortments, affordable price, solid image in the local market, comfortable and easily accessible sales and delivery locations. We noted the following specificities: limited advertisements, non-aggressive advertising, effective promotional actions, assortment diversity, focusing on the particularities of consumer segments, considering the responsible management of resources, supporting local production, permanent and collaborative training of employees to provide good quality services to consumers. The classic approach to the subject of marketing, as well as the traditional marketing mix, with 4P, is currently outdated. For this reason, the transition to a new way of approach is required, which is in step with social progress, with the emancipation of society, modification of consumption needs, the new management systems of the enterprise and the general direction of economic growth in conditions of performance and competitiveness. The progress of marketing has been observed from several directions: in addition to the high-performance technology that has brought advantages in the implementation of marketing strategies, there have also appeared new ways of considering interdisciplinary relations, of cooperation between various fields of interest, and the management-marketing relationship is an argumentative one.

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