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E-MARKETING MATRIX FRAMEWORK: THE TWO-FACTOR PARADIGM SHIFT

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ABSTRACT

One of the most ubiquitous aspects of the marketing research practice is the concept of marketing mix. The marketing mix has persisted for so long as the 4P's (Product, Price, Place and Promotion). However, in the post dot-com era, Marketing Executives are learning to cope with evolving marketing elements that have emerged from the use of Internet in Business Process Operations and Re-engineering. The result is a lack of a common vocabulary in which such categorisation of techniques and an integrating framework create fundamental problems for practitioners and researchers. In some ways, the new marketing elements are not manifested in world business practices and yet from another perspective they are revolutionary and worthy of a new characterisation especially in the knowledge economies. This paper is an attempt to converge the evolving e-Marketing Matrix Framework with the Traditional Marketing Mix to promote an effective Marketing Strategy, identify and characterise it's tool-kit and classify them into a taxonomy for Marketing Managers and Researchers.

Keywords: e-Marketing, Marketing, Marketing Model, Marketing Research, Marketing Mix, Market Place

INTRODUCTION

Marketing Operations Management is usually defined as automated end-to-end marketing, from planning and budgeting, through marketing content management, to marketing execution and analysis, leading to optimum marketing performance. one among the foremost ubiquitous aspects of the marketing landscape is that the concept of a marketing mix. The marketing mix has persisted now for over four decades because the 4P acronym for Product, Price, Place and

Promotion. However, within the post .com (dot-com) boom, Marketing Managers are learning to deal with an entire lot of latest marketing elements that have emerged from Internet Marketing activities. In some ways these new marketing elements have close analogues within the off-line world, and yet from another perspective they're revolutionary and deserve a replacement characterisation into moving from the normal Marketing Mix to Web-Based Marketing System. Today, few if any marketing plans are often complete without blending e-Marketing with the normal Marketing Mix to make an Enterprise Marketing Strategy.

This Paper reviews the criticism on the 4P Marketing Mix Framework because the basis of study of the normal and online marketing planning processes that culminates into Enterprise Marketing Strategy and argues that the customary marketing management approach, supported the favored Marketing Mix 4Ps paradigm, is insufficient within the case of Online Marketing Processes. it's intended to expand the scope of the normal Marketing Mix when applied to the Ps in a web commercial setting and the other strategic elements within the model and further identifies the critical factors of the online Marketing Strategy as an Enterprise Marketing Policy then portray the idea for successful e-Commerce deployment and therefore the full integration of both activities into a company's physical strategy, marketing plan and organisational processes. the varied elements of the normal Marketing Mix Model identified offers the idea for the event of the e-Marketing Matrix Framework employing a two-factor approach, catalogue it's evolving Tool-kit of elements and classify them into taxonomy for Marketing Managers and Management Researchers.

THE MARKETING MIX

The “marketing mix” and also its extension because the “retailing mix” are concepts that provide a typical vocabulary for the marketing community. initially the thought of a “marketing mix” was somewhat controversial. Many competing characterisations were proposed, from a mixture of just two elements (the “offer” and therefore the “tools”) (Frey 1961), to at least one with three elements (“goods mix”, “distribution mix” and “communication mix”) (Kelly 1962) to at least one with 12 elements (Borden 1965). Ultimately a 4Ps depiction of the marketing mix became what today is one among the foremost standardised and universally accepted aspects of the marketing landscape. Professor E. Jerome McCarthy (1960), in his textbook Basic Marketing: A Managerial Approach, first popularised this particular categorisation. the idea for the characterisation of the marketing mix was the considerably simpler marketing world of the 1950's when TV was just taking the country by storm because the new marketing medium. it had

been a time of the “masses” with mass-marketing capitalising on mass-communication to maneuver mass-production through mass-distribution and mass-retailing to the swelling masses of the post-world-war-II middle-class. As McCarthy (1960) so eloquently pointed out:

There are several benefits for the marketing mix. First and foremost, it provides a standardised vocabulary for the marketing community. the combination helps to categorise what would rather be potentially thousands of micro-elements during a full-blown marketing campaign into manageable macro-elements which will be the idea for the event and communication of a more macro marketing strategy. The marketing industry is organized into verticals round the elements of the marketing mix (e.g. Advertising, marketing, Pricing, advertisement, Branding) with associated industry organizations, conferences, tradeshow, textbooks and academic courses. Since the marketing mix specifies the scope of selling activities, it is the natural point of reference for budget allocation. The marketing budget within the pharmaceutical industry is heavily skewed towards a sales department that targets doctors, whereas the more typical approach in grocery is to stress TV advertising to consumers. it's commonplace for marketing managers to benchmark their budgetary allocations with the standard allocation in their industry.

Within an industry, the marketing mix are often wont to characterize competitive marketing strategy. as an example, “push” and “pull” strategies of selling are stylized descriptions of a blending of the marketing mix elements wherein some elements are being emphasized over others. And of most importance, undoubtedly, has been the utilization of the marketing mix as a tool or framework to speak the marketing strategy during a standardized way and also to arrange teaching and research about marketing. Perhaps the key point is that the concept of a marketing mix has survived the test of your time as a central contribution to the practice of selling , particularly with reference to organizing marketing strategy and for teaching and communicating about the marketing strategy and process.

ELECTRONIC MARKETING SYSTEM

The Online Marketing community has developed a really selective view of Internet-(electronic/digital) Marketing Techniques. To Web Developers and Technology Integrators, Internet Marketing is about building websites that are robust and scale with traffic. To the Advertising Industry, it's about Internet advertising and its impact on driving web-traffic and brand building. Auction oriented sites like eBay have grown through word of mouth and have emphasised community building. To the Customer Relationship Management (CRM)

Community, it's about personalisation. Apart from this selective emphasis, the Internet-community has also introduced overlapping vocabulary to elucidate the techniques. as an example , the technique of growing the customer base through referrals, often termed word-of-mouth within the literature, is additionally mentioned as organic growth (Wall Street Journal 2001) or Viral Marketing (Godin 2001). Another example is that the term “collaborative filtering.” This term usually refers to the availability of recommendations to a user on the thought of the similarity of that user’s purchases to others who are like him. However, the terms “recommendation engine”, “data mining”, “personalization”, “mass customisation” and “one-to-one marketing” are all sometimes used, during a method or another, to ask the same concept.

This lack of a typical vocabulary, a categorisation of techniques and an integrating framework creates fundamental problems for practitioners and academics, considerably like has been the case within the 1950’s before E. Jerome McCarthy (1960) introduced the 4P’s standardisation of the traditional Marketing Mix: There are several ramifications of the actual fact that these e-Marketing techniques aren't well categorised, the interrelationships not well understood and a holistic view isn't specified. Without such integration, it's difficult to:

- a. Develop an appropriate marketing plan to support such strategy
- b. Budget across the weather of the mixture
- c. Align the organisational structure of the marketing effort
- e. Assign appropriate responsibilities while still maintaining the needed integration.

According to (Hanson 2000, Turban, et. al. 2002), there are several textbooks available to provide a summary of Internet Marketing practices but do not emphasise a categorisation or an integrative framework that allows users to answer very fundamental questions as presented above.

E-COMMERCE IN PRACTICE

Essential differences between the virtual and physical commerce have prompted involves a re-evaluation of the prevailing marketing principles, when handling e-Commerce. according to Hoffman and Novak (1997) “...marketers should specialize in playing an active role within the development of latest organic paradigms for facilitating commerce within the emerging electronic society underlying the web , rather than infiltrating the prevailing primitive mechanical structures”. Such suggestions, added to the objections raised on the role of the Marketing Mix because the idea of the physical Marketing Management, have prompted several academics and practitioners to advocate that the 4P model has no relevance in Online Marketing.

These questions are frequently debated in E-Commerce fora and through a growing number of selling management textbooks, academic papers and press articles with a focus on outlining and optimising management role through E-Commerce best practices (Sterne. 1999, Bayne. 1997, Vassos. 1996, Ecademy.com, PriceWaterhouseCoopers. 2001, I-strategies.com) including advising on Web design tips (jaderiver.com) as well as practitioners that focus on E-Commerce marketing that have yielded a growing list of articles and books. Attention of some writers were focused on value creation (Amit and Zott, 2000, Mahadevan, 2000) while others were on the pros and cons of traditional commercial practices and Web business models (Rappa, 2000) or processes (Hart and Doherty, 2000). Angehrn (1998) proposed an approach suitable for diagnosing the maturity and methods of E-Commerce sectors also as structuring and detecting opportunities in individual companies. Another modelling approach is typically recommended by E. Huizingh (1999) restrained the online commerce issues by the Strategic Internet Applications Model (SIAM) with the Customer Interaction Cycle (CIC) and presented the Accessibility, Design, Offer and Fulfilment (ADOF) Model. Lawrence et al (1999, p 79) proposed the Marketing Mix as an accurate basis of E-Commerce marketing activities. Chaffey et al (2001) developed a basic descriptive and process-focused methodology that is followed by outlining the E-commerce marketing planning as a process of eight decision points. Seybold (1999) had earlier proposed a uniform approach while Oliver (2000) identifies seven E-Commerce laws because the essential parameters of the E-Commerce strategy. Despite the growing attention on strategic modeling there are still, according to Chaffey et al (2000, p 152), "... a few of appraisals of methods of implementing a web Marketing Plan from a tutorial viewpoint". Attempt by writers to develop such a viewpoint usually leads to a conservative approach in establishing Marketing Management concepts and suggesting ways to convert existing frameworks to usable concepts for the Online Marketing activities. This approach often emphasises the role of the Marketing Mix 4Ps Model because the right basis of the Marketing Management Planning in virtual environments. sort of writers suggest that the 4P model could constitute the conceptual platform for e-Commerce marketing planning virtually unchanged (Lawrence et al. 2000, Bickerton et al. 1996). Others suggest a few of transformations so on adapt the model to the digital marketplace (Patty, 1997) while O'Connor and Galvin (2001) postulated that diagnosing Marketing during an uncertain crisis conditions argued that new technologies will evolve to improve and optimise the 4Ps-based management process. The apparent explanation for the loyalty of the various researchers to the 4Ps model is its undisputed record that include but not limited to intrinsic

simplicity and comprehensiveness, making it a very popular tool among practising marketers as presented in this research.

THE TRADITIONAL MARKETING MIX AND E-COMMERCE

The Internet, as an advertisement environment, embraces variety of the foremost substantial developments that happened within the marketing landscape of the last 40 years. The online presence promoted the evolution process from the mass markets of the 60s to the increasingly segmented, niche-dominated, highly interactive and global markets of today. The effect of the new setting is that marketers target have shifted towards satisfying individual and personalised rather than collective needs while placing much more emphasis on customer retention, customer service and relationship marketing. Such changes follow closely behavioural shift patterns of newer generations of individualistic, better informed, networked and wealthier consumers. Consumers increasingly demanding more control over the marketing process (Hofman, Novak, Schlosser, 2000), value the personalised approach and like products or services that can be promptly adapted to their constantly changing needs. Having analysed the criticism on the role of the Marketing Mix as the marketing paradigm in the physical world one could argue that this criticism is reconfirmed when attempting to apply the 4Ps in the virtual environment. One obvious weakness is the fact that the model does not explicitly include any interactive elements (Grönroos, 1997, p324), while interactivity is the basis of the Internet Marketing. It can be argued furthermore that two more important points are indicating the limitations of the 4Ps in the virtual marketing.

Applying the Marketing Mix Model in traditional markets implies that the 4P parameters of the model delimit four distinct, well-defined and independent management processes. Despite the consistent effort by many physical businesses to deal with the 4Ps in an integrated manner, the drafting but mainly the implementation of the P policies remains largely the task of various departments and persons within the organisation. Even more significant though is the fact that the physical customer is typically experiencing the individual effects of each of the 4Ps in diverse occasions to fully internally integrate their marketing activities..

This however portends implications for the customer's buying behaviour. While the traditional buyer behaviour model (Kotler, 2000, p 161) considers the 4Ps as the controllable factors likely to influence the conventional consumer's buying decisions, it is the Web Experience - the Web experience is the consumer's impression about the online company (Watchfire Whitepapers,

2001) - the factor under the marketer's direct control likely to influence the buying behaviour of the online consumer. From the customer's perspective the Web site depicts the very aspects likely to prompt his reaction to the online offering, the 4Ps being merely a part of the site-based Web Experience and as such simultaneously experienced by the customer:

Product: The Website is the prime online product and brand of the online organisation. The customer should become aware, develop interest and be persuaded to search for the site/product before going on looking into the company's detailed online offering.

Price: The majority of commercial sites function as price lists for the company's physical product assortment. Besides that, the Web site is perceived by the online prospect and customer as a cost element. Although this cost will be in most cases lower than the cost of performing these activities physically, the customer will compare it with the cost of finding and doing business with other online competitors.

Promotion: The Web site is the promotional medium as well as the promotional content. The communicational and emotional impact of the Web site is an important part of the Web experience and a major factor in attracting and retaining online customers.

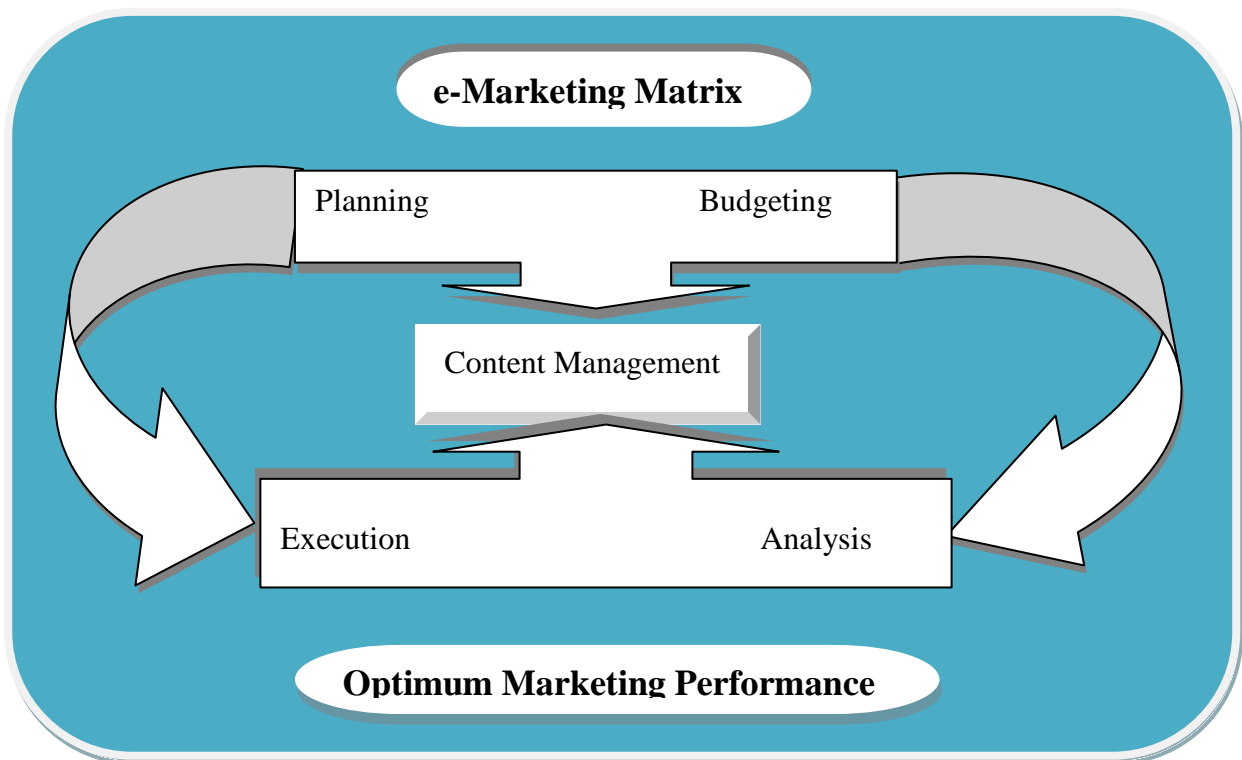
Place: For the majority of e-Commerce cases involving any form of online interaction/transaction, the Website is the counter, helpdesk and sales outlet where the actual commercial or noncommercial transaction takes place. Moreover for products delivered in digital form (music, information, software and online services) the site fulfils even the task of the physical distributor by allowing the product delivery online.

The above analysis suggests that attempting to approach the 4Ps in isolation in the Web environment is not a sound strategy, since online customers by and large experience them in a simultaneous and direct manner, as elements of the Website based customer experience. For Internet customers this experience will include many other elements like findability of the site, ease of navigation, prompt replies to emails and easy to use shopping and payment procedures and will be the criterion for the customer to come back to the site or not. The shortcomings of the classic strategic approach can explain the obvious aversion for strategic planning by the majority of dot.com (Forrester Research, May 2000) [45]. Most brick-and-mortars entering the Web on the other hand would presumably find it more convenient to apply their existing strategic model to their Web operations rather than delineating a new E-Commerce strategy. In some cases such a policy is sensible, in other cases not. British Airways (BA) learned the hard way that competing online on the basis of the existing strategic model with EasyJet.com and other value-

oriented airlines was impossible. After the initial poor results of the new BA Web site as a ticket counter the company drafted a new strategic approach by launching the low-cost offshoot airline Go to compete in the online low-budget market. A way of solving the Web strategy problem is by integrating the online strategic planning into the operational marketing planning, this way building much more flexibility into the system. This would mean introducing an E-Commerce ‘micro-strategy’ that while in line with the corporate physical strategy would be flexible and easily adaptable to fast changing online conditions.

EMERGENT MARKETING BUILDING BLOCKS

Table 1: The e-Marketing Matrix Framework



The e-Marketing Matrix Framework identifies four marketing paradigms contingent upon strategic operational, organisational and technical critical factors. These are the Planning (strategic issues), the Budgeting (operational issues), the Execution (integration into the physical processes) and the Analysis (technical issues) that are all focused on Marketing Content Management.

Content Management: This central element is of primary strategic character and outlines the decisions to be made on four known common concepts of Personalization, Privacy, Security and a Relational Database which provide a helpful policy and technological basis for integration of

the various elements as depicted in related similar studies. The traditional marketing mix did not depict any of the following:

- a. The degree of readiness of the organisation for e-Commerce
- b. The strategic role of e-Commerce for the organisation
- c. The strategic and operational objectives of a web venture
- d. The market definition that measures the market potential and the identification of the potential competitors and visitors to the website.

When it takes into consideration personalisation and other marketing activities that are directed at the user it naturally becomes a focus for the mixing of varied e-Marketing Operation Elements. This creates the necessity, almost inherently, for the web merchant to adopt a policy about the connection between Personalisation, management, Privacy and Security. In most cases, privacy concerns top the list of challenges for personalisation. This has made most website owners to reply by crafting detailed privacy policies and posting them on the website. A typical privacy policy addresses what information is being collected and the way it'll be used and whether the knowledge are going to be sold or shared with third parties and if so in what context. Further, it provides the choice to opt-in or opt-out of receiving targeted mailings and promotions. The opt-in/opt-out policy is usually discussed in Privacy policy but the user makes the selection when a private profile is made. alongside Personalisation and Privacy, a related concern is with the safety of the web site itself. Specific problems with concern whether someone can intercept the transaction and therefore the mastercard information wont to make purchase from the web site and the way easy it might be for a hacker to enter the web site . Sites address these issues with a security policy that addresses among other issues; what aspects of the location and therefore the transaction are secure, what technology is getting used and what the liability of the customer is that if a Mastercard number is stolen or there's a security breach.

SUMMARY

The paper reviews the criticism on the role of the Marketing Mix 4Ps model as management tool of the normal marketing and evaluates the role as a marketing management tool using the developed e-Marketing Matrix Framework. The frequent criticism of the 4P Marketing Mix because the foundation of the normal marketing management is certainly valid for the web marketing management, while two more factors; the very fact that the role of the 4Ps and therefore the refore the customer experience of them are quite different within the virtual

environment from the physical and the lack of a strategic dimension within the model further undermine the effectiveness of the framework because the marketing management platform in virtual environments:

CONCLUSION

The e-Marketing Matrix Framework was developed employing a two-factor approach to facilitate the online marketer approach to strategic and operational problems with the web Marketing in an efficient way. The proposed framework emphasises the necessity for a replacement approach towards the web marketing fully integrating the virtual activities within the prevailing company strategy, marketing and operations. Integrating e-Marketing Operations Management with a company's traditional Marketing Mix will enable it to run its Marketing Department as a viable, accountable business unit within the organisation where Business Process Operations and Technology are fully leveraged to assist

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