

Guiding Principles Model: A Call to Integrate the 4 P's into a Strategic Construct

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Although flawed and roundly criticized, the 4P's have been introduced in marketing texts for 50 years as a foundational marketing concept. This paper urges educators to reform curricula to provide students an immutable set of principles on which to base marketing decisions and proposes a values-driven Guiding Principles Model (GPM™).

INTRODUCTION

The 4P's, with its memorable mantra of *product, place, promotion, and price*, have been passed down for more than 50 years to generations of students in marketing courses. Though roundly criticized as inadequate in the marketing literature almost since inception, the 4 P's continue to be presented in introductory marketing textbooks as a foundational concept for the practice of marketing. Repeated attempts to modify it have not had widespread acceptance, and calls for revision continue to the present day. The literature is replete with recommendations for new models/variations.

It is the authors' contention that alternative models presented in the literature to date to supplant the 4 P's have failed to serve as adequate replacements for the same reasons the 4 P's model itself is faulty: Such models are based on tactical rather than strategic considerations, and the efficacy of specific tactics is situationally dependent. With continual and rapid change in the marketing field, such approaches are doomed to failure.

Additionally, contemporary research in the field suggests that a disconnect exists between current marketing curricula and the needs of employers. The marketing literature contains a broad range of papers that address the increasing importance of business ethics and social responsibility and the widening gap between marketing theory and corporate practices. Researchers cite the need for marketing education that stresses values such as work ethic; honesty; integrity; trustworthiness; responsibility; and marketing skills that address networking, collaboration, and social relationship building.

If we are to adequately prepare students for success in the complex 21st century marketing environment, we must provide them with an immutable foundation of principles upon which to base marketing decisions and to select marketing tactics. Such a foundation requires a new curriculum construct that provides values-driven criteria for effective marketing practices.

The marketing curriculum must evolve and stimulate critical thinking to encourage students to operate from a more strategic viewpoint; adapt tactical considerations to changing marketing situations; and execute marketing practices in more integrated, ethical, and socially responsible ways than they have in the past. This paper suggests the 4 P's be integrated into a foundational strategic construct, referred to as the Guiding Principles Model (GPMTM) and that new pedagogical tools be added to the curriculum to support the GPMTM.

MARKETING CURRICULA: PAST AND PRESENT

Wilkie and Moore (2012) trace the emergence of the field of marketing to shortly after the turn of the 20th century, when academic attention shifted from the production of goods to market distribution. Profound societal changes and technological advances from 1920 to 1950 brought electric service and an array of new products to consumers such as washing machines and refrigerators. The marketing discipline flourished during that 30-year period, as businesses touted the features and benefits of these new products. During this timeframe, many of the foundational theories of marketing were also developed.

Introduction of the 4 P's

In the late 1940s, Harvard Business School professor Neil H. Borden introduced the concept of the marketing mix in his teaching and described the marketing executive as a creative mixer of practices to develop a profitable business (Borden, 1964). Building on this seminal concept, Michigan State University marketing professor E. Jerome McCarthy (1968) argued that the marketing mix could be reduced to four basic variables he dubbed the 4 P's: *product*, *place*, *promotion*, and *price*. McCarthy's contribution was not the first marketing model proposed. However, it made a major impact on the field and on academic curricula because it was concise, the alliteration made it easy to remember, and it identified specific marketing tactics.

While not a great deal of empirical research has been conducted on the 4 P's, several studies confirm that it is widely used among marketing practitioners as a foundational concept. Since its introduction, it has served as a conceptual platform on which to base marketing decisions. To the present day, it remains a key concept in the curriculum of most undergraduate marketing courses.

Calls for a New Model

Problems inherent in the 4 P's model have been recognized continually in the 50+ years since its introduction, and voices in the literature have persistently called for revisions. For example, Borden (1964) created his own list of 12 elements of the marketing mix and acknowledged that even more elements could be added. Proposals for new models have generally argued that distinctive characteristics of a product or service being marketed or specific factors in the economic, social, or marketing environment render the 4 P's inadequate. Some have suggested the 4 P's be replaced with more P's, or 4 (or more) C's, R's, or other letters or by a model that focuses on customers or relationships (Abdallah & Jaleel, 2015; Booms & Bitner, 1981; English (2000); Grönroos, 1997; Hon, 2011; Lauterborn, 1990; Salam, Inam, & Awan, 2015; Wilkie & Moore, 2012; Zontanos & Anderson, 2004).

In 1981, Bernard Booms and Mary Jo Bitner argued that the 4 P's were valid for product marketing, but the model needed to be expanded to 7 P's to include *physical evidence*, *people*, and *process* as key elements when marketing intangible services.

In his 1990 article titled "New Marketing Litany: Four P's Passé: C-Words Take Over," Robert F. Lauterborn contended that consumer wants and needs should be paramount in marketing activities. Lauterborn proposed a shift to a customer-centric model, and he proclaimed that four consumer characteristics: what the consumer wants and needs (*commodity*) and is willing to buy (*cost*), along with

communication and convenience, should replace the 4 P's. At that time, Lauterborn argued, "It's time to retire McCarthy's famous Four P's, the Rosetta Stone of marketing education..." (para. 1).

Despite Lauterborn's impassioned pleas, in the intervening years between 1990 and the present day, numerous additional revisions to the 4 P's model were proposed in the literature. Most recently, the growth of electronic technology and online marketing have ushered in a new era for marketers. Again, calls are heard for a revised model and academic curriculum reform to ensure congruity with today's marketing functions and methods. Some recent scholars have argued that the efforts of electronic marketers and the "distinct" characteristics of online and business-to-business marketing (B₂B) simply cannot be explained by traditional marketing models that were developed to support other marketing methods (Abdallah & Jaleel, 2015; Salam et al., 2015; Tapscott, 2000).

Synopsis of Key Issues Concerning the 4 P's Model

The adequacy and usefulness of a model can be determined by its applicability to situations in the real world. The 4 P's model was conceptualized and implemented during an era in which marketing functions could be defined in terms of four simple functions. As the marketing field evolved over time, social, economic, and technological complexities have rendered this simplistic model ill-suited for describing marketing activities. That is not to say that the 4 P's are irrelevant. They are useful in describing tactical functions that may be employed to achieve specific marketing goals. However, the 4 P's do not provide the broader strategic context in which marketing decisions should be considered. The primary flaws and deficits of the 4 P's cited in the literature, and key researchers and authors who have discussed them, are provided below:

- **Inadequacy for Complex Situations** (Ettenson et al., 2013; Grönroos, 1997; Sheth, 2002; Sheth, Newman, & Gross, 1991).
- **Narrow Focus on Products, Discrete Physical Place, and Fixed Price** (English, 2000; Lauterborn, 1990; Tapscott, 2000)
- **Neglect of Ethics, Personal Responsibility, Relationship, and Value Considerations** (McKenna, 1992; Narver & Slater, 1993; Tsung-Ju, Yi-Chen, & Ching-Sung, 2016; Walter & Gemünden, 2000; Zantanos & Anderson, 2004)
- **Lack of Recognition of Consequences of Marketing Actions Such As Social and Economic Impacts, Consumer Rights, Stewardship, Sustainability, and Corporate Responsibility** (Cornelius, Wallace, & Tassabehji, 2007; McFarlane, & Ogazon, 2011; Perera, & Hewege (2016); Wang, & Juslin (2012).
- **Gap Between Theory and Job Requirements** (Ardley, 2008; Armatas & Papadopoulos, 2013; Bennis & O'Toole, 2005; Boles, Brashear, Bellenger, & Barksdale, 2000; Casner-Lotto & Barrington, 2006; Cooper & Naatus, 2014); Finch, Nadeau, & O'Reilly, 2012; Guidry, 2012; Gummesson, 1994; Schlee & Harich, 2010; Sloan, 2015; Van De Ven & Johnson, 2006; Whitehurst, 2016)

Updating Introductory Marketing Curricula for 21st Century Relevancy

Amid the controversy surrounding the characteristics necessary for workplace success, one area of consensus has emerged from the research as essential to students' job and career preparation: the importance of ethics, integrity, and social responsibility (Bentley University, 2014; Davidson, 2014; Guidry, 2012). In one study, 84% of business leaders and 78% of corporate recruiters ranked integrity as the most important attribute for job success (Bentley University, 2014; Tests to weed out incompatible employees, 1997).

Nowhere is the need for ethical awareness and behavior more relevant than in the marketing discipline. One need only look at organizations such as Exxon, Enron, Volkswagen, Wal-Mart, Red Bull, General Motors, Chipotle, Monsanto and, most recently, Wells Fargo and Mylan to find examples of how marketing decisions may have overshadowed ethical considerations, to the organization's detriment and

the demise of the careers of many company employees and executives. This deficit in ethics and socially responsible acumen and the absence of an ethical model as a cornerstone of marketing education could provide us with many similar examples in the future. Yet, in marketing texts, the topic of ethics is often presented in a cursory manner or relegated to a separate chapter later in the text and accompanied by a single student exercise. Content coverage of ethics in most introductory marketing courses takes a “backseat approach” versus an integrated approach that moves beyond discrete strategies, tactics, and consumer-centric models found in the majority of marketing textbooks.

Siloed organizational approaches and fragmented tactical models can no longer continue as the status quo to prepare students for the rapidly changing world of marketing in the 21st century. The marketing curriculum and its presentation to students must evolve and stimulate critical thinking to enable students to understand, integrate, and utilize ethical and socially responsible means of employing marketing strategies and tactics in today’s complex marketing environment. Researchers such as Abromaityte-Sereikiene, (2006), Drumwright and Murphy (2009), and Tsai, C. (2006) echo the authors’ calls for more emphasis on ethical issues and norms for appropriate ethical behavior in marketing education. Their ideas, and those of others, will be considered in the proposed marketing curriculum redesign.

Educators must ensure that students have a strong set of guiding principles on which to base their marketing decisions. The Guiding Principles Model (GPMTM) proposed in this paper provides students with a foundational construct that is applicable regardless of specific marketing functions performed. These principles lend themselves to application in specific tactical situations to form the basis for responsible, ethical marketing decision-making.

INTRODUCTION OF THE GUIDING PRINCIPLES MODEL

How do marketing educators guide students and equip them with strategies to address the complexities of the 21st century marketing environment and its rapid rate of change? While the authors agree that the 4 P’s model is not useful for this purpose, they do not believe the solution is to create new models as new situations arise. A useful model should not be built on the shifting sands of the constantly changing marketplace. It should provide the underpinnings for tactical functions and guide decision making in a dynamic environment.

The Guiding Principles Model proposed in this paper presents three principles as essential to a useful marketing model: Mission, Intelligence, and Responsibility. (See TABLE 1) The principle of Mission speaks to the organization’s overall purpose and strategic focus on accomplishing that purpose. Intelligence addresses the organization’s knowledge of its external environment and how it uses this knowledge and data to close the loop between planning and execution of plans. Responsibility subsumes the issues of integrity; ethical considerations; sustainability; and the development of long-term, meaningful, and respectful B₂B and B₂C relationships.

It is imperative that these principles be incorporated into the marketing curriculum and serve as the foundation for the establishment of tactical marketing functions and standards against which the achievement of marketing goals can be assessed.

GPMTM Strategic Considerations

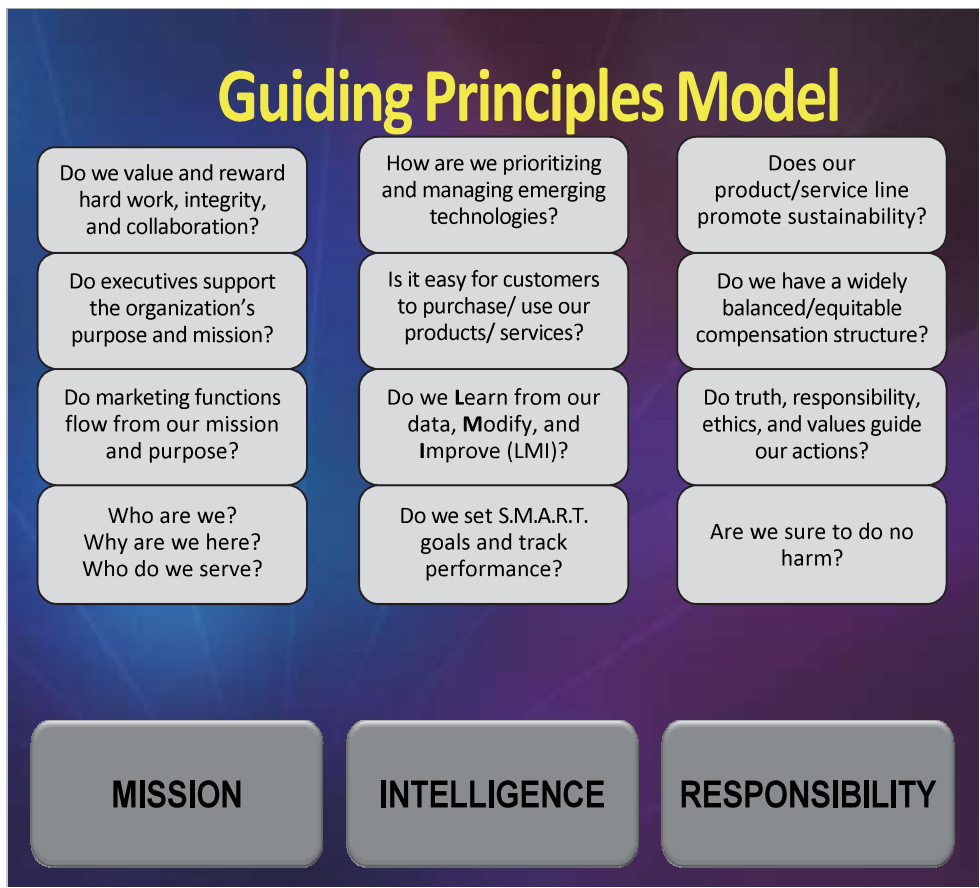
The GPMTM is not proposed as an alternative to or a replacement for the 4 P’s model. Rather, the authors assert that students must consider the GPMTM’s principles as foundational concepts for marketing activities. In the GPMTM, the 4 P’s are not discounted as viable tactical functions. In fact, they are expanded and included as examples of potential tactics or functions. Thus, the 4 P’s, 4 C’s, or other alternatives introduced over the past 50 years are relegated to their proper places as functions through which the guiding principles are applied.

This principle-centered approach then permits assessment and measurement of the success of the strategic intent as well as the specific tactics used to achieve that intent. The authors propose development of pedagogical tools for these assessment purposes. The result is that the transient nature of a specific marketing situation now becomes rooted in an unchanging set of principles that demonstrate effective and

defensible marketing purposes and philosophy. These principles also lend themselves to consideration as a means by which the organization can ensure fulfillment of its vision and mission.

The GPM™ Model, presented in TABLE 1, is proposed as a comprehensive and holistic framework that is strategic, not tactical, and bridges the gap between theoretical concepts and contemporary job requirements. It reflects the imperatives of contemporary marketing practice such as social responsibility, relationship building, sustainability, inequities in access to and attainment of products and services, compensation inequities, and other important considerations. It is an integrated approach versus a siloed subject/content structure and places critical guiding principles as foundational criteria for decision-making.

**TABLE 1
GUIDING PRINCIPLES MODEL**



Foundational principles and critical questions that comprise the Guiding Principles Model (GPM™)

GPM™ Principles and Critical Questions

Listed below are the proposed guiding principles, critical questions, and potential tactical P’s related to the principles in the revised curriculum. The 4 P’s are not eliminated in the Guiding Principles Model; they are integrated as potential tactics for executing marketing plans.

Guiding Principle: Mission

- Who are we? Why are we here? Who do we serve?
- Do our marketing functions and activities flow from the organizational purpose and mission? Are they mission-driven?

- Do the principal executives support the organization's purpose, with posterity in mind and respect for the public good?
- Does the organization promote a strong work ethic and demonstrate that it values integrity, collaboration, and relationship building?

Potential Tactical P's of Mission:

(1) Purpose, (2) Public Good, (3) Principals, and (4) Posterity

Guiding Principle: Intelligence

- Have we set **S.M.A.R.T.** goals (Specific, Measurable, Attainable, Relevant, and Time-Bound) and developed a scorecard to track performance indicators?
- Do we **Learn** from our data, **Modify**, and **Improve** (LMI)?
- How are we prioritizing and managing emerging technologies such as bots, artificial intelligence, and augmented reality without compromising consumer privacy?
- Have we chosen to offer our products and services in the most cost-effective and convenient ways for our potential customers?

Potential Tactical P's of Intelligence:

(1) Preparedness, (2) Performance, (3) Prioritizing, and (4) Place

Guiding Principle: Responsibility

- Are we sure to do no harm?
- Do the products/services we offer genuinely enhance life? Are they produced and delivered in a highly ethical manner? Are we promoting the value of our products and services truthfully, responsibly, and ethically?
- Are we sourcing, distributing, and delivering our products/services in a sustainable manner?
- Are we developing long-term, meaningful, and respectful B₂B and B₂C relationships?
- Does the organization have a wide-balanced and equitable compensation structure?
- Does our pricing strategy reflect societal values?

Potential Tactical P's of Responsibility:

(1) Portfolio/Product, (2) Promotion, (3) Pay, and (4) Price

Proposed Pedagogical Tools

Critical marketing decisions surrounding contemporary issues such as environmental design standards and green initiatives; corporate responsibility; consumer protection legislation; corporate transparency; sustainability; social responsibility, and justice and equity demand that our students develop a strong ethical base to guide their actions. The Guiding Principles Model is envisioned as the first step in a process of innovative curriculum design reform and the development of new pedagogical tools.

Planned tools include scorecards, dashboards, and individualized instructional strategies that emphasize the following: (1) foundational ethical considerations; (2) critical thinking as an underpinning of marketing decisions; (3) evaluation of curriculum and measurement of marketing results against standards; and (4) improved alignment of tactical marketing choices with an organization's strategic purposes, vision, and mission. When additional proposed pedagogical tools are fully developed, this principle-centered model will permit assessment and measurement of the efficacy of the specific tactics used in strategic marketing plans.

SUMMARY

Almost since inception, the 4 P's have been criticized among marketing scholars and practitioners because the model fails to address critical factors in marketing situations. Although the marketing literature is replete with proposed revisions to the 4 P's over the 50-year period since the model was originally proposed, none of these revisions has gained widespread acceptance.

The authors contend that the failure of proposed alternative models is due to the continued focus on specific tactics rather than on strategic principles that should serve as the foundation for tactical decisions. The marketing curriculum must evolve and stimulate critical thinking in such a way as to encourage students to operate from a more strategic viewpoint, to adapt tactical considerations to changing marketing situations, and to execute marketing practices in more integrated, ethical, and socially responsible ways.

The Guiding Principles Model (GPM™) provides students with an immutable strategic construct. It is the first step in a process to develop pedagogical tools that stress organizational mission, intelligence, and responsibility and address ethical and social responsibility issues. Thus, the GPM™ forms a foundational base and bridges the gap between marketing theory and contemporary marketing practices.

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