

~~4 Ps Cs Ts~~



A rapidly evolving global market is shifting the focus from 4Ps to 4Cs, and now, 4Ts. Are Indian companies ready for the change?

ONE OF THE GLARING challenges that most brands across the world, today, face is that of lowering brand loyalty. Brands are 'commoditized' no sooner they enter markets. At the consumer level, on the one hand, we are seeing an increasingly more global entity — one who is tuned-in almost real time to trends and aspirations across various countries and societies. Increased access to electronic and traditional media, the Internet, and more frequent (and adventurous) travel outside the home frontiers are some of the factors that have led to the globalization of the average consumer.

At the business level, the most challenging development is consolidation across all kinds of industries — be it travel, education, health, transportation, telecommunication, banking, consumer durables, or retail. And, it is not limited within the traditional geographical boundaries alone, but is increasingly becoming cross-continent; as a result, local and national brands are battling for consumer's mind share — to

retain their identity which is very short lived.

Creating and maintaining relationship with customers in a market that is determined by supply and demand, is become an inseparable part of business. The concept of CRM is viewed differently in different sectors of business though. Customer relationship or customer care is not just a matter of being polite; it is looking at the entire customer experience — or, walking in the shoes of the customers.

This journey starts before you even meet your customer. The trick is to forget all that you know, or think you and your customers know, about your business or product and ask yourself — 'why would they want this?' With companies offering technology-based solutions for everything, customer care has become more important than ever. Sales literature and, indeed, entire campaigns are based on describing the technology used rather than how it addresses real user requirements.

The most crucial challenge for businesses to create

new customers and maintain the old customers, therefore, is to create or retain differentiation of their respective product or service so as to prevent such goods from being commoditised, thereby leading to destruction of value from the perspective of the stakeholders of such businesses. Traditionally, successful branding has served the purpose of creating and maintaining such differentiation to the benefit of the consumer, the retail channel, and the producer-owner of the branded product or service. However, the forces of change as mentioned above makes the task that much more formidable — to serve a national, regional or a global market and, yet, ideally serve each market as if it has a single consumer.

Therefore, according to Kotler, the imperative, or the essence of marketing, needs to be redefined. The four Ps remain as useful for organizing framework for marketing planning. He feels there is nothing wrong by adding some more Ps for emphasizing the crux of marketing, such as Packaging, People, Personnel, Politics, Public opinion and passion, etc.

He further talks about a transition from the four Ps to four Cs, which are more customer-based. The four Ps are seller-based. Kotler defines Product as Customer Value; Price as Customer Cost; Place as Customer Convenience; and, Promotion as Customer Communication. These Cs reflect a more client-oriented marketing philosophy. They provide useful reminders. For example, you need to bear in mind the convenience of the client

throughout the business cycle.

The 4 Cs lead to the marketing concept, which was born out of the awareness that a business should begin with determination of consumer wants and end with consumer satisfaction of those wants. Whereas, the 4 Ps are, more or less, product-oriented, they lead to the product concept.

The product concept rotates around marketer's obsession for his product. Organizations that subscribe to the product concept assume that consumers would automatically vote for a product's high quality. Philip Kotler's suggestion to shift from 4 Ps to 4 Cs is to show concern to the consumers, generation for value satisfaction, creative selling and integrated action for serving the customer.

Peter F. Drucker had once expressed that the aim of marketing should be to make selling superfluous; marketing means understanding of the customer in such a way that the marketer makes a product or service, which fits him totally and sells itself. Brand building should be tuned to the philosophy of customer satisfaction. Marketing is a value-creating and value-delivering process.

Brand building costs for any business in the present scenario should be to offer the customer benefit, value, and satisfaction. Brand building should be intrinsically linked to the very fundamental structure of the market.

Many factors go into making a purchase decision, and some carry more weight than others. Consumers are frequently thought

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to buy products based primarily on emotional appeal. However, customers now research many types of consumer products on the Web before making their purchase decision. Even low-priced products are being researched more extensively than ever before, thanks to the spread of Internet.

A good example is that of toothpaste, which has gone from a commodity product with superficial advertising to promotions based on differentiation features that deliver specific benefits. For example, at last count, P&G's Crest toothpaste has nine different products for different consumer needs. Buying toothpaste is still believed to be an emotional decision: previous experience, flavour, colour, packaging, ingredients and, of course, the cost all goes into the decision making. The toothpaste marketers advertise product information quite in details to target their segments with differentiation details. One of the primary driving forces behind the development of so many blends of Crest toothpaste is to cater to the oral health needs of the proliferation of the baby boomer generation, who are quite health-conscious and self-obsessed.

In the globalized era, the marketing trends show that majority of the marketers want to increase their presence world over, especially in the developing nations. They, therefore, concentrate on local buying of raw materials, labour, manufacturing and pricing. Marketers are experiencing fluid, ever-changing and evolving markets around them. They, therefore, have to focus on continually rapid changing consumer whims and fancies.

In India, where the population size is over a billion out of which 300 million are middle-class consumers, consumers demand high product and packaging standards. Retailers, such as Tesco, Wal-Mart and Carrefour, seem rather impatient to move in. Now, can you imagine what would be the scenario in the next five years?

Technology too is getting upgraded and updated so very often that the changes are shortening life cycles of the products like never before. Assembling and juggling with marketing mix is a continuous task. These huge retail sharks are changing the styles and the way the world does business. It is now unstoppable...The challenge that individual marketers and businesses face today is of learning how to live with this changing scenario and, more so, how to manage it.

There is a lot of benefit in it. As Warren J. Keegan, an international strategic marketing advisor puts it, "a



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company that fails to go global is in danger of losing its domestic business to competitors with lower costs, greater experience, better products, and, in a nutshell, more value for the customer." Driven by the ubiquitous economic liberalization, national economies are becoming more and more interdependent and integrated and the world economy is becoming more and more globalised. In India, domestic players, such as Nirma, had to fight competition from MNCs like Unilever, P&G, Henkel, etc., to retain its market share. Similarly, Ghadi detergent or Wagh Bakri Chai too had to fight the might of MNCs to retain their market shares in the domestic market.

Firms in their own country have to face technological, financial, managerial, organizational, and marketing competition. No matter whether the market is domestic or foreign, in globalization, marketers have to sustain competition, which is the phenomenal feature of business. Hence, the shift in marketing mix will be from 4Ps and 4 Cs to 4 Ts.

USP

(This is the first of a two-part article. The concluding part will appear in the March issue.)

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