



International Journal for Innovative Engineering and Management Research

A Peer Reviewed Open Access International Journal

www.ijiemr.org

COPY RIGHT



ELSEVIER
SSRN

2021 IJEMR. Personal use of this material is permitted. Permission from IJEMR must be obtained for all other uses, in any current or future media, including reprinting/republishing this material for advertising or promotional purposes, creating new collective works, for resale or redistribution to servers or lists, or reuse of any copyrighted component of this work in other works. No Reprint should be done to this paper, all copy right is authenticated to Paper Authors

IJEMR Transactions, online available on 7th April 2021.

Link: <https://ijiemr.org/downloads/Volume-10/Issue-4>

DOI: 10.48047/IJEMR/V10/I04/18

Title: **4P MARKETING MODEL IN ECONOMIC SECTORS**

Volume 10, Issue 04, Pages: 64-70.

Paper Authors:

Eshmamatova Madina



USE THIS BARCODE TO ACCESS YOUR ONLINE PAPER

To Secure Your Paper As Per **UGC Guidelines** We Are Providing A Electronic Bar Code

4P MARKETING MODEL IN ECONOMIC SECTORS

Eshmamatova Madina

Bachelor student of Tashkent state university of economics

E-mail: eshmamatovamadina@gmail.com

Abstract: Marketing mix is a popular tool in the service of marketers. It allows you to clearly structure strategic tasks for entering new markets, launching a product or an entire product line, revising the current market positioning, etc. To the full extent, its advantages as a tool can be realized when developing an export project, since export is a specific option for developing a new market-geographical. Only this market is located outside the state border of the Russian Federation, and in the case of "pure" exports-outside the common customs border of the EAEU (that is, the goods must cross the state borders of Russia, Armenia, Belarus, Kazakhstan or Kyrgyzstan with a third country).

Keywords: Marketing mix, concepts, product, price, place, promotion.

Introduction

One of the most well-known and popular marketing concepts is the 4P (Pi) or marketing mix concept. This idea appeared in 1964, when Neil Borden published his article "The Concept of a Marketing Mix", in which he tried to combine all the elements that need to be taken into account when drawing up a marketing plan for a company. Initially, this plan contained a much larger number of items, but Nel managed to reduce their number to 4 and make them easier to remember. So the 4P complex appeared. In the future, this complex will be expanded to 5, 7 and 10 Pi. The complex of the marketing mix combines the factors that a marketer can influence. The strategy developed on the basis of the 4P concept should increase the perceived value of the proposed product: product or service.

The basic model includes: cost, product, place of sale and promotion. Let's look at them in more detail:

1. Product

A product is a product or service that a company offers to its customers (both potential and existing). This is the basis of the 4P concept, and it is from this stage that you should start developing a marketing strategy.

Determine what functions your product will perform? What is its unique advantage? Determine how high-quality your product will be? For different categories of consumers, the quality indicator will be measured in different ways, for example, it is important for one

consumer that the carrots are smooth and clean, while another judges the quality by the region where the crop was harvested. Determine how wide the range will be, what the service will be for the end user.

Product branding also belongs to this section of the concept. It is necessary to develop a name that can be registered and protected, to develop a logo and corporate identity. Equally important is the packaging of the product, it should stand out from the competition, but not be too original, otherwise the consumer may simply not see it, even if he is purposefully looking for a certain product.

2. Price

The price not only affects the profit that the company will receive, but also the perception of the product by the consumer. If the assigned price is much higher or much lower than expected, it can negatively affect the purchase decision and reduce consumer confidence.

The company's pricing policy determines in which price segment the product will be placed. This directly affects the perception of the consumer. Setting the price directly affects the market entry strategy.

When setting the price, you need to think about different pricing tactics for different sales channels, for example, you can set special discounts on volume or offer a special price for a certain set of products, such a "package" offer will also allow you to cope with re-sorting. It is equally important to take into account the prices that are planned to be set for the duration of

various promotions (if the company plans to hold them) or to determine the terms of promotional events.

3. Place

In this component of the marketing mix, the product distribution model is considered. The product must be not only in the right place, but also at the right time for the consumer to decide to buy it.

It is necessary to determine the geography of the product, the planned expansion to other markets and territories. No less important are the channels through which the product will be distributed, it is necessary to provide for the rules of display, its size and penalties for dealers in case of violation of the requirements. Determine how much of the product you need to keep in stock in case of force majeure.

4. Promotion

This section includes all kinds of marketing communications. They can be aimed both at informing consumers about products, creating or correcting their image, and creating a need for purchase or re-purchase.

A marketing mix is a set of controllable marketing variables that a firm uses in an effort to elicit the desired response from the target market.

It is believed that the marketing mix model includes all the necessary product parameters that a marketer can control and develop for the effective promotion of the product on the market.

The goal of the marketing mix is to develop a strategy that will increase the perceived value of the product, as well as help maximize the long-term profit of the company in the market.

The "4P" model, in its modern form, was first published by E. J. McCarthy in 1960.

Later, Philip Kotler made a significant contribution to the popularization of this approach.

In various situations and industries, the following extensions are found:

1. Packaging

2. Purchase (the process of making a decision about a specific purchase and the experience after)

3. People (VIP-clients, specific persons)

4. Personnel

5. Process, the customer's experience (for example, a visit to a hypermarket that requires a lot of time)

6. Planning - the process of planning in time, without which all other conditions lose their meaning

7. Making a profit - the process of evaluating the effectiveness of marketing activities and their impact on future sales

8. Goals-Setting goals to achieve business and marketing goals.

Based on this marketing model, models were built:

✚ Model 4C;

✚ 5P Model: 4P + People-employees, "opinion leaders—, large clients;

✚ Model 6P (5P + I): Model 5P+ Image;

✚ Model 7p: (5p and two other elements that are more related to B2B markets and service markets: process-the process of interaction between the consumer and the company + physical evidence — physical confirmation(environment), the company's office, the decor of the hotel rooms.

✚ Model 12P (1. Product; 2. Price; 3. Location; 4. Promotion; 5. Physical Evidence; 6. People; 7. Process; 8. Public; 9. Packaging; 10. Positioning; 11. Perception; 12. Personal sales)

This section defines the desired promotion strategy (push or pull). The budget of communications and the planned share of the brand's voice in the total flow of advertising messages are determined. The result that is planned to be achieved as a result of the promotion is determined (it should be expressed in specific figures, for example, the expected market share or an increase in the level of customer loyalty by 10%). The communication channels are selected, and the necessary events that the company plans to organize or participate in are planned. A media strategy and a plan for holding promotions and other promotional events are being developed.

When developing an export project, the issue of product policy may become a key one. The cases when the product is ready for the export market in full without any adaptation are

quite few, especially if we are talking about "pure" exports-outside the Customs Union.

Adapting a product for export involves two main aspects.

First, it is a product refinement that takes into account the requirements of the market. That is, the product must be ready for the requests of potential foreign consumers.

A fairly large group of products may not require such a revision. For example, this can include numerous raw materials, products of the agro-industrial sector, and so on: timber, coal, grain, flour, and so on.

However, the higher the level of processing and differentiation of the product, the more likely it is that the product familiar to the consumer in Russia may not become attractive to a foreigner. For FMCG, different packaging, flavors, additives may be required, and this is not to mention the drastic processing of the label. For industrial goods, it is necessary to understand the specifics of technological processes abroad, the preferences of local LPR, which have other well-established criteria for procurement and decision-making, other educational training, and so on.

All these factors require detailed study. Here, in principle, two main options are possible. Or the company finds a partner abroad who will evaluate the potential of the initial product and will be ready to "bring it to mind" together with the Russian company for export. Or the exporter takes the issue of market research on himself, formulates conclusions – how much the product is ready in terms of the requirements of the foreign market, and what positions need to be improved.

The second aspect of adaptation is the fulfillment of the requirements of state (supranational) bodies that allow the product to be sold on the market of a foreign state. To a lesser extent, this applies to the export of goods from Russia to a greater extent-the import into the territory of a third country.

The depth of adaptation of this type depends on both the product category and the country of potential export. It's always harder to overcome barriers (longer, more expensive, and so on) for some complex and dangerous

categories of industrial goods, chemical raw materials, food, children's goods. But the country is also important. So, there are very high barriers to the export of a number of products to the People's Republic of China, the countries of the European Union (plus here that the barriers are unified – imported into one country – almost the entire European market is open), the United States of America. In general, there is a pattern (although it is not direct) that the higher the level of socio-economic development of a country, the higher the administrative barriers to goods from third countries.

Knowing these barriers allows you to calculate the project economy. If the product requires expensive certification, licensing, and falls under quotas, then often the minimum volume of profitable deliveries goes to such orders of numbers that the company basically refuses to work with this market.

All of the above issues need to be resolved before the stage of active work with potential buyers. A potential exporter should have on hand calculations on all the basic parameters – what product the market is ready to consume, and how to overcome the barriers to entry to it. Here, a high-quality marketing research or a partner that the company is ready to trust as a guide of interests in the foreign market will help. However, if you do not have experience in the market and are not recognized internationally as a supplier, then it is extremely difficult to find such a partner.

Market research (including barriers) can be carried out independently, outsourced, and supported by government support measures for exporters. The more complex the market and the higher the level of product differentiation, the more important marketing analysis is as a basis for making decisions on an export project.

Price

When the product is fully developed for the export market, it makes sense to switch to the pricing policy.

Its development is a balance between the cost of the product for export delivery, taking into account all the costs of physical movement

of the goods to the buyer, and competitive prices on the foreign market.

When a company clearly knows all the costs of an export project, it is quite easy to calculate the cost price, as well as the break-even point. This is important for assessing the feasibility of entering a foreign market, at least with the current product options.

The second question is the analysis of prices in the foreign market. At the same time, it is desirable to know not only the actual sales price to the end user, but also the basic margins on the links of the commodity chain, as well as the price of comparable goods "at the border".

To collect this data and form an effective price offer, you need to turn to a number of sources.

Collecting information about the final price has become easier in the era of the Internet and automatic translators, especially for consumer goods. At the same time, for countries with lower Internet penetration, an undeveloped consumer culture, and rare languages, even such a task can become non-trivial and require the assistance of companies that can organize and conduct market sensus, make the necessary "price cuts".

Prices of manufactured goods are usually closed or there is very little information about them. Here it is difficult to conduct a qualitative assessment without insider knowledge, which is not cheap. You may also need to travel to the country, communicate with representatives of the local market.

In addition to obtaining information through surveys in one form or another, it is important to use more objective data sources. This should primarily include customs statistics. Analysis of export and import data provides an understanding of the cost of goods "at the border", which is extremely important for calibrating the price offer.

In certain situations, there may be enough export bases from Russia to a third country. For example, when the share of Russian goods in a given foreign market is large. Then you can use a fairly inexpensive database of Russian customs authorities and see at what cost the customs clearance of goods takes place, who is

the supplier, and who is the buyer. This will not only clarify the price offer, but also form a list of potential distributors of your products abroad.

More often than not, this information will not be enough. Then you can wade through the third country's database of import operations. In this case, you need to know reliable suppliers of such databases (these will be foreign, more often Asian companies), and be prepared for significantly higher costs relative to the first option. In addition, database processing will also require time and expertise. However, there will be a fairly complete picture on hand, which will allow you to form an interesting price offer for a foreign buyer. Unfortunately, sometimes the result may be the conclusion that in the current combination of cost factors, you can not offer a competitive price in this foreign market. If you get into the range of "total cost less than the competitive price", then you can proceed to work with sales channels.

Information about sales channels is collected both in the process of working on the product and analyzing competitive pricing. It is logical that by adapting the product and forming a pricing policy, we roughly understand in which channels we will promote our product, because its price for the consumer and certain parameters depend on it, especially in terms of packaging, packaging, and so on.

Thus, all this information should already be collected in the process of market research, or, in more rare cases, through direct contacts with local market players who themselves have shown interest in working with your product range. It is necessary to structure it, to choose priorities by types of channels and by the optimal length of the commodity distribution chain – where a shorter leverage is possible, and where it is more efficient to work through several links, starting from a direct importer and ending with small wholesale and retail.

The main issue that arises in export projects in terms of working with channels is the actual choice of specific companies that will act as links between the exporter from the Russian side and foreign consumers. Direct sales are rarely possible. More often, this is the

B2B segment, but only if administrative and market barriers are low. So the shipment to the final consumer is a great success, which is possible (if you do not take the EEU countries, of course) for industrial expensive goods exported to countries with low barriers to Russian products, for example, to Tajikistan or Uzbekistan. Although even there it is quite difficult to implement direct delivery due to the country-specific features of doing business.

The choice of a foreign partner for the implementation of an export project requires special competencies and skills. It all starts with the preparation of a competent commercial offer, which should be visually and in terms of the quality of the translation attractive to a foreign LPR.

Even more important is the content, which often "suffers", reducing the likelihood of a contract. As a rule, Russian entrepreneurs, when going abroad and forming a commercial offer on this occasion, pay a lot of attention to the product itself, but very little to the model and conditions of interaction. This approach can only work with rare direct sales, and for distributors and wholesalers, the answer to the question is always important – what they will earn from the transaction (especially if they earn regularly), and not what they will sell.

Therefore, in the commercial offer, it is necessary to focus on what you are profitable as a partner, to make the conditions as comfortable as possible for a foreign company. This implies the disclosure of such issues as delivery bases, payment terms defined in a narrow price range, logistics, financial, insurance and other important aspects of interaction. For representatives of small and medium-sized businesses this year, a free service is available (upon application) for the preparation of a commercial offer with translation into a foreign language through the regional institutes of export support infrastructure.

When the market entry model is formed as an idea and visualized in the commercial offer, you can actually start searching for partners and conducting negotiations.

To do this, it is important to know the profile of those we are looking for. Even if we

were contacted independently earlier, this does not mean that the transaction is possible, especially since it will be most effective with this type of foreign counterparties.

The partner's profile is determined within the framework of a marketing study of the foreign market. Quite often, companies put forward incorrect hypotheses about the counterparty's profile and then spend a lot of time trying to negotiate with such organizations. For example, in practice, there was an example when the FMCG manufacturer wanted to enter a European country directly into the channel of marketplaces and DIY, although for its product category, these companies work with imports only through local wholesalers. Moreover, it is important that the wholesale seller has a registration not just in the territory of the European Union, but in the country that acted as a geographical search market. It is logical that the time would not be wasted if the company conducted a marketing study of the market of the country within the European Union in advance.

As with commercial offers, with the search for partners for the organization of export deliveries, you can apply for a free service for a Russian small business company to the regional export support center. To do this, you need to specify the product (product range) and the foreign market. However, it is better if this choice is justified by research, since otherwise it is likely that the responsible contractor will refuse such work – after all, the risk of not providing the service without understanding the demand for the product on the market and the customer's ability to overcome the incoming barriers is very high.

Participation in international exhibitions and business missions may be useful for finding partners and conducting initial negotiations. At the same time, participation in business missions should be preceded by the search for partners, so that the event is attended by those foreign companies that have a high interest in cooperation. In personal communication, you can always discuss more "subtle" parameters of interaction, and partners reach this level after a

certain long communication, even if it is remote.

In any case, it is better to select several potential partners in order to make a more balanced decision about the best option in the future. It is possible that in the framework of communication and negotiations, the vision of working in channels will be adjusted, pricing issues and even product parameters will be clarified. At the same time, the partnership is of particular importance for the implementation of promotion measures, since it is always more effective to engage in advertising activities on the territory of a foreign state, even for global brands.

For many markets, such as FMCG, promotion is important regardless of the geographical market. However, the peculiarities of the country's culture, including the specifics of consumption, communication between the producer and the consumer, affect the promotion both in terms of the forms of advertising activity and their content. Other areas of promotion, such as GR, have even more country-specific features.

The export of products may require a fairly wide list of measures to promote the product in different sales channels, but in some cases, for example, in the market of raw materials, goods of investment demand, you can limit yourself to a small list of tools.

In any case, it will be useful to translate the site into the language (s) of business communication of the country where the export expansion is planned and / or presentation materials. Sometimes it is advisable to make a website or landing page on a country domain.

It is also desirable to visit a foreign country where deliveries are planned, both privately and as part of business missions or to participate in exhibitions, conferences, and so on, in order to show the seriousness of intentions and integrity.

In fact, advertising activity can be very diverse, taking into account the previously defined product (s), pricing policy and priority promotion channels. As in the development of a marketing mix for the domestic market, advertising activities should support the chosen

model of positioning in the market and be addressed to the target group of consumers.

The implementation of advertising campaigns, especially large-format ones, is rarely justified by their own efforts. The more "exotic" a country is, the more difficult it is for full-time marketers to work it out effectively, especially if the business does not have employees who have lived in the country of export for a long time, understand the local mentality and language features. Outsourcing in this direction acts as the most appropriate approach for solving advertising tasks more effectively.

In this article, we have considered the main elements of the marketing mix, and over time, new elements have entered this model, which we will discuss in detail in the next article.

Literature:

1. Aaker, D. (2014). *Aaker on Branding : 20 Principles That Drive Success*. New York: Morgan James Publishing. Retrieved from <http://search.ebscohost.com/login.aspx?direct=true&site=eds-live&db=edebk&AN=699809>

2. AAKER, D. (2015). Four ways digital works to build brands and relationships. *Journal of Brand Strategy*, 4(1), 37–48. Retrieved from <http://search.ebscohost.com/login.aspx?direct=true&site=eds-live&db=bsu&AN=102422934>

3. Christodoulides, G., & de Chernatony, L. (2010). Consumer-based brand equity conceptualisation and measurement. *International Journal of Market Research*, 52(1), 43–66. <https://doi.org/10.2501/S1470785310201053>

4. Foreman, S. K., & Money, A. H. (1995). *Internal Marketing: Concepts, Measurement and Application*. *Journal of Marketing Management*, 11(8), 755–768. <https://doi.org/10.1080/0267257X.1995.9964388>

5. Hem, L. E., de Chernatony, L., & Iversen, N. M. (2003). Factors Influencing Successful Brand Extensions. *Journal of Marketing Management*, 19(7–8), 781–806. <https://doi.org/10.1362/026725703322498109>

6. Heskett, J. L., Jones, T. O., Loveman, G. W., Sasser, J. W. E., & Schlesinger, L. A. (2008). Putting the Service-Profit Chain to



International Journal for Innovative Engineering and Management Research

A Peer Reviewed Open Access International Journal

www.ijiemr.org

Work. Harvard Business Review, 86(7/8), 118–129. Retrieved from <http://search.ebscohost.com/login.aspx?direct=true&site=eds-live&db=bsu&AN=32709006>

7. Ian N Lings. (1999). Balancing internal and external marketing orientations. Retrieved from <http://search.ebscohost.com/login.aspx?direct=true&site=eds-live&db=edsbas&AN=edsbas.D46FF1>