The Recent Trend for Marketing Mix in the Context of E-Commerce: A Literature Review

Mahbuba Sultana Tuhin
Doctor of Business Administration, City University, Malaysia

Abstract
The influence of internet technology on all aspects of human life, and the convenience offered to customers by the e-commerce firms, in terms of flexibility in time and price, have raised the popularity of e-commerce in the world of business. This article aims to review the relevance of the traditional 4P marketing mix model in the era of digitalization, and discuss how it has been and can be modified to apply perfectly to the e-commerce industry. The pandemic also has caused a dramatic rise in online consumption, and the resulting changing trends in customers’ buying behaviour has reiterated the need for reviewing and reshaping the traditional marketing mix concept to adapt to the new business environment. The study elicits the conflicts that arise when the traditional marketing concepts are applied in the e-commerce environment. Starting from the traditional 4 P’s marketing mix, introduced by Jerome McCarthy in the 1960s, the article considers recent studies that outlined improved models for marketing, specifically in context with e-commerce, and identifies a plethora of factors and concepts in relation to e-commerce marketing. The involvement of science and technology makes the e-commerce industry very dynamic in nature. In addition, a crisis like the COVID-19 pandemic has led to drastic changes in the operation of businesses as well as the customers’ purchase behaviour in the last few years. Therefore, it is important to keep constructing new concepts and models that are compatible with the e-commerce industry.

Introduction
Internet technology has penetrated all aspects of human life in unimaginable ways. Rapid proliferation of the internet technology makes it challenging for e-commerce enterprises to keep up with the dynamic nature of the industry. Philip Kotler, popularly regarded as the “Father of Modern Marketing”, popularised the concept of the 4 P’s of marketing mix, namely product, price, place and promotion, the idea of which was first proposed by the American marketing professor and author, Jerome McCarthy in 1960 (Kotler, 2014). The marketing mix has been defined as a set of controllable variables that the firm can use to influence customers’ responses towards their products (Nielsen, 2009). Ever since the concept of marketing mix was introduced, it has been a rudimentary theory used by managers all over the world to shape up their marketing strategies (Caliskan et al., 2020). However, with the advent of e-commerce, digital marketing and social media, the relevance of the traditional 4 P’s marketing mix in digital marketing is often questioned by critics all over the world. This article aims to discuss the relevance of the traditional 4P marketing mix model in the era of digitalization, and how it has been and can be modified to apply perfectly to the e-commerce industry.

Philip Kotler became an eminent name in the field of marketing after the first edition of his textbook, Marketing Management, was published in 1967. The 15th edition of the book was published in 2016. In many of his interviews, Kotler himself has answered questions raised about the concept of the 4 P’s.
According to him, the first two P’s, i.e., product and price fit into any marketing scenario. The term ‘product’ here is used for both physical goods as well as services; and both have prices set for them. The third “P” that is place, refers to ways of making the product available and accessible to customers; the traditional means of making products available to potential customers was by offering the products in a retail shop, but now products can be made available to customers online as well without the need for retail shops. This simply means that another channel has been introduced to the third ‘P’; the significance of ‘place’ has not really changed (Narayanan, 2013). However, the more recent studies suggest that the element of place in e-commerce has changed significantly in the course of transformation from traditional to digital marketing (Pogorelova et al., 2016; Ghiffarin et al., 2019; Dwivedi et al., 2021). The 4th ‘P’, i.e., promotion, poses many challenges: the first challenge is surely blending the traditional and the contemporary media (Narayanan, 2013). This blend provides multiple means of interacting with customers for e-commerce businesses (Kumar, 2012). As per Neelima (2013), Philip Kotler has supported digital marketing during the interview saying, “Digital media is the best thing to happen to marketing in recent times.” Now messages can be customised for distinct groups of people and individuals. Data mining carried out through Big Data enables marketing professionals to identify the best prospects and the appropriate messages to deliver (Sivarajah et al., 2017), while social media marketing allows fast and mass reach, as a marketing message can go viral within a click given that it is interesting, entertaining and educational enough.

E-commerce websites offer flexibility of time, price, and space to their customers in their purchases. Web portals track purchasing patterns, and digital footprints of online customers to analyse their location, preferences etc. and devise new effective marketing strategies for their products. Digital marketing practices, involving online and social media marketing differ slightly from traditional marketing, though the digital marketing strategies are derived from the traditional marketing strategies only (Kotler et al., 2010). The extensive use of the internet by people to maintain social connectivity, equip their knowledge, etc., has created the scope for retailers to take on web-based retailing and hence, led to the transformation of traditional marketing to digital marketing (Kotler et al., 2010). The virtual marketplace shaped up by e-commerce enterprises in today’s time is highly segmented, niche-dominated or mass-customised, and globally expanded instead of the mass markets there used to be in the 1960s (Kotler et al., 2010).

The history of the evolution of marketing concepts is vast and intricate. In the 1950s and 1960s, the economy of the United States was greatly reliant on the manufacturing sector, and hence, it only made sense that the marketing concepts, for instance, the 4 P’s of marketing mix, outlined during those times also focused on the production management discipline. Developing the ‘product’, determining a ‘price’ for the product, setting up a ‘place’ for the distribution of the product, and generating demand for the product through ‘promotion’, were the only requirements of that period. In the 1980s, the stability of the US economy was shaken while business was flourishing in the developing countries in Asia. Customers became more aware, their perceptions towards products changed. This required marketing experts to alter and improve the existing concepts according to the changing market environment. In order to rekindle the demand for products, marketing received more attention, and marketers shifted their approach from simply tactical to a more strategic one, giving more importance to customers than just the products. This led to experts developing segmentation, targeting, and positioning strategies. With the advent of the internet in the early 1990s, accessibility of customers to information increased. Marketers then included aspects of human emotions into their strategies; concepts of emotional marketing, experiential marketing and brand equity were practised. Marketing endeavours in the 1990s were focused more on brand management.
(Kotler et al., 2010). This series of modifications to the marketing concepts marked the birth of modern marketing. This process of evolution of the marketing concepts does not end here. The various industries, market environment and customers’ perceptions towards products and services keep changing every now and then with the development of new technologies and new business opportunities, requiring further modifications being made to the present marketing concepts that have evolved over time.

**Rationale of the Study**

The e-commerce industry has progressed exponentially over the past few years and is anticipated to continue proliferating in the coming years as well. According to Gelder (2024), e-commerce retail sales have been estimated to cross 6.3 trillion US dollars in 2024. Customers’ prioritising convenience and reliability in their shopping experience has driven the retail industry to make their online presence stronger, and online retailing has become inevitable for firms in order to gain competitive advantage in the market, and for their survival too (Panigrahi & Karuna, 2021). This rising importance of e-commerce in terms of its global penetration and impact on the retailing industry has gained much attention from researchers all over the world. From a purely industry and consumer preference perspective, there is no apparent risk of reversal of the current spending pattern of customers back towards bricks-and-mortar retail and away from e-Commerce (Fitch Solutions Reports, 2019).

E-commerce dramatically shifting the strategy and structure of firms that are active in domestic and international markets, creates new opportunities for SMEs that want to compete with the leading brands in the market (Cong et al., 2021). The world can only be expected to become more technology-oriented in the future. Advancements in the field of science and technology have brought about increased use of information and communication technology in marketing channels, drastic changes in the marketing communication practices, enabled real-time communication with customers, as well as enabled monitoring data to make marketing activities more effective (Caliskan et al., 2020). This means that the e-commerce industry is a very promising industry, but at the same time, the advent of new technologies and adoption of various technologies by firms and countries over a period of time, make this industry dynamic in nature. To keep up with the dynamic nature of the e-commerce industry, it is important to keep on modifying the managerial and marketing strategies of the firms in the industry all the time. This article explores the existing literature on the acceptability of the traditional 4P marketing mix in the current marketing environment, suggestions for modifications to the marketing mix, its adaptability and application to the e-commerce industry and how the marketing mix has been modified to suit e-commerce businesses over time.

**Review of Literature & Discussion**

**E-commerce**

The term e-commerce refers to any business or profitable transaction which involves the transmission of information transversely over the internet; it refers to the online retailing of products and services (Raji et al., 2024). The activities of an e-commerce business are executed in a special environment, which has certain characteristics of the service environment, yet it is different because it is virtual. It involves distanced communication between the sellers and customers, who may be thousands of kilometres apart (Raji et al., 2024). The sales process of e-commerce is highly dependent on technology and the electronic media. E-commerce is continually being subjected to various innovations, so it has not only changed the business processes but has essentially reshaped the entire economic environment in the new virtual space.
This innovation component plays a key role in the development of the marketing concept, in relation to e-commerce in particular (Pogorelova et al., 2016).

The 4 P’s of traditional marketing mix
The traditional marketing mix comprising the 4 P’s, i.e., product, price, place and promotion, identifies important factors in a purchase journey (Sriram et al., 2019). The ‘product’ is the item or service being marketed, considering its features, quality, benefits and quantities produced by the company (Khan, 2014). ‘Price’ encompasses the pricing strategies, product assortments and lines, and payment methods (Khan, 2014). ‘Place’ refers to the location where the product or service is made available to the customer, including the distribution channels (Khan, 2014). ‘Promotion’ involves communicating about the products with customers, selling, advertising, direct marketing of the products, public relations, sales promotion and sponsorship (Khan, 2014). This mix was intended to bring several elements together to simplify the managerial activities (Dominici, 2019).

The model was devised in an era where the extent of interaction between buyers and sellers that exists today was unimaginable, and the internet came into being much later. Two main limitations of this ‘4P’ paradigm in context of the e-commerce environment, identified by Constantinides (2002), have been that the model does not consist any interactive element whereas the basis of internet-marketing is interaction, and that the 4 P’s constitute four distinct and independent management processes whereas the contemporary marketing requires an integrated approach. These limitations have prompted researchers to look for alternative and more refined marketing concepts suitable for e-commerce. The 4P’s marketing mix paradigm has been structured as an operational rather than a strategic tool and conventional marketers have always seen it like that. Practically, the strategic management aspects are distinguished from the commercial operations due to the very nature of strategic management. Therefore, many marketing experts regard the corporate strategy as an external variable forced into their marketing mix. Applying the 4Ps Marketing Mix model as a stand-alone model for E-Commerce operations could mean that the strategic aspects would remain underexposed or disregarded altogether (Constantinides, 2004).

Marketing Mix in E-commerce
While the basic concept of the marketing mix is also retained in the online environment, the characteristics and functions of each factor do vary a little to suit the online marketplace (Kathakali et al., 2019; Minculete & Olar, 2020). Agafonova et al. (2021) stated that the nature of the marketing mix is changing considerably in the context of e-commerce. E-marketing efforts need to be planned and executed more carefully than traditional marketing strategies since there is no direct contact with the customers in the online environment, which reiterates the need for having dedicated, functional theories specifically in the field of digital marketing (Järvinen & Karjaluoto, 2015). Inclusion of technology and information management systems in the marketing practice produce more customer-centric and value-added results (Caliskan et al., 2020). The digital transformation of the industries greatly influences business processes, and the marketing strategies, being an integral part of the process, must be transformed as well in order to survive the competition in the industry. More and more firms are entering the e-commerce sector. Moreover, customers now are more aware, more individualistic in their approach, and demand more authority over the marketing process. Hence, the focus of marketing has shifted from targeting collective needs to catering to the individual and personalised needs of customers, emphasising more on customer retention, customer service and relationship marketing (Constantinides, 2004).
Considering the 7 P’s model, which is an extension of the 4P’s marketing mix introduced around 1981, the elements of ‘people’, ‘process’, and ‘physical evidence’ get replaced by technology in e-commerce, greatly reducing the human involvement in the maintenance process (Pogorelova et al., 2016). The process has become highly automated and optimised with the advent of technological advancements (Caliskan et al., 2020). Replacing human involvement with technology increases the efficiency of the process; it saves time, and also the use of technology greatly reduces the efforts that would be required from employees involved in the maintenance process otherwise. On the contrary, this replacement creates the need for individuals trained in handling technology to be involved in the process. The study by Pogorelova et al. (2016) emphasised on the trend of personalization in e-commerce marketing, which resulted from the ability to track customers’ digital footprints, their interests based on their shopping history, social media activity etc. In online platforms, particularly on social media, people’s personal interactions with other social media users are also tracked to generate recommendations for customers. In the context of e-commerce, the volume of customer data determines the market value of firms (Bortnikov, 2021).

To overcome the limitations of the 4Ps marketing mix model as seen with e-commerce operations, Constantinides (2002) introduced a web marketing mix model, that includes the critical elements of internet marketing, to address the strategic, operational and organisational issues of e-commerce enterprises in an integrated and reasonable manner. This model consisted of 4 ‘S’ parameters: scope, site, synergy and system. ‘Scope’ represents strategic aspects of the online venture, like market analysis, identifying potential customers, reaching out to the customers etc.; ‘site’ that refers to the online interface of the e-commerce firms, which is considered the most important communication channel in e-commerce; ‘synergy’ meaning the integration of the processes; and ‘system’ that comprises the technical aspects of the process (Constantinides, 2002). These 4 ‘S’ parameters are specifically applicable to the e-commerce industry only. The model aimed to integrate all the strategic, marketing and operational activities of the e-commerce firms. Professor Jagdish Sheth, who is an eminent professor of marketing at Emory University, suggested the concept of 4A’s, that includes acceptability, accessibility, affordability and awareness (Narayanan, 2013), to represent what the customers want, unlike the 4 P’s that represent what the companies want to accomplish.

According to Kathakali et al. (2019), the e-marketing mix, which includes e-product, price intelligence or price sensitivity, delivery risk instead of place, and promotional intelligence, influences consumer buying-decisions in online markets. E-marketing is becoming more prominent with time due to formation of the modern business environment that revolves around several digital contexts including the social media platform, online word-of-mouth, and reviews, thus aiding the process of promotional intelligence of the e-product (Kathakali et al., 2019). Just like in practical life, people tend to get influenced by suggestions and opinions of experts, close friends and people who they share common interests with, in their online purchase decisions as well (Li et al., 2013). The term ‘promotional intelligence’ has been coined to refer to the strategy used to promote a product in a way such that the promotion creates a lasting impact on the customers’ minds, which leads to them making their purchase decision in favour of the product. It makes use of click-stream data to understand the users’ tendencies while browsing, to direct the promotional endeavours accordingly (Kalyanam & McIntyre, 2002). Price intelligence or sensitivity refers to the awareness of market-level pricing complexities and monitoring their influence on the industry, using modern data mining techniques. It is distinguished from the other pricing techniques because of the extent and accuracy achieved through the analysis of competitive pricing in this model (Kathakali et al., 2019). Firms looking to optimise their pricing strategy to gain competitive advantage over other firms, or
buyers wanting to optimise their purchasing strategies, can adopt a price intelligence approach to achieve the optimization. For a product ordered online, or the ‘e-product’, the traditional concept of the 3rd ‘P’ which is ‘place’, gets replaced by the concerns in terms of location, time, accuracy and so on, associated with the delivery of the product to the customer. Thus ‘delivery risk’ becomes the 3rd component of the e-marketing mix as mentioned in Kathakali et al. (2019).

Kumar (2012) suggests that expansion of the traditional 4P marketing mix is needed to enable firms to engage and interact with customers in this highly integrated environment of today. The study expanded the 4th P, that is promotion, by integrating a component of ‘communication mix’ into it. The communication mix encompasses emerging media, social media platforms, traditional media, and trade shows. As per Kumar (2012), it is very important to target the right segment of customers with the right communication mix, given that a plethora of communication mix is used by marketers nowadays. The ‘communication mix’ component illustrates the various communication channels adopted by marketers for the promotion of the firms’ products, but it does not seem to add any value to the actual marketing mix model; it is only a branch of the ‘promotion’ component, that includes the different channels used in modern marketing. With this approach of expansion mentioned in Kumar (2012), all the 4 P’s in the traditional marketing mix can each be further branched into several components, increasing the complexity without significantly altering the effectiveness of the model. According to Villanova et al. (2021), retailers in the older times, had to mostly rely on the brands whose products they sell, with little or no control over the actual promotional communication with customers in their hands. However, modern retailers have taken charge of their promotional activities. In the context of communication Villanova et al. (2021) signifies the role of analysing digital footprints in identifying the target customers, and communicating the right information to them at the right time; the study also mentioned omnichannel communication, that allows messages to be coordinated across different channels. In e-commerce, the important thing about marketing communication is that retailers are able to customise and personalise the messages for their stakeholders (Villanova et al., 2021). Nothing draws customers’ attention like personalised messages which show that the messages have been customised for them only; such messages stimulate the customers to take a look almost immediately.

Pogorelova et al. (2016) affirms that the ‘product’ element in e-commerce is in line with the 1st ‘P’ i.e. ‘product’ in the original marketing mix. In recent times, all types of products are available to buy online, for example, information goods in the form of audio and video goods, and e-books, consumption goods like clothes, toys, household items, and also food products (Pogorelova et al., 2016). The list is indeed endless. The digital environment often allows for increased participation of the consumers in the early stages of production, right from the stages of designing the product, and enables personalization of the products depending on customers’ requirements. This involvement is facilitated further by the use of artificial intelligence and augmented reality in the era of digitalization (Caliskan et al., 2020). The pricing of goods in e-commerce seems to correspond to the rules of classical price formation, where it is based on three components: cost, customer value, and competitors (Ebbing and Lüthje, 2020). However, when looked into the journeys of leading e-commerce firms, it is found that they use exclusively unique methods of flexible and personal pricing. E-businesses are able to tailor their pricing strategies to have an individual character for each user because of the existence of the Big Data technologies (Pogorelova et al., 2016). ‘Place’ corresponds to distribution channels in both traditional and digital marketing practice. In e-commerce, the ‘place’ is a site or a marketplace in the social-network, on which sellers offer their products, buyers explore the platform and make their choices, and the transactions take place. According to Caliskan
et al. (2020), the aim of the ‘place’ component in the marketing mix has now shifted from just being able to deliver goods at the right place at the right time to making goods accessible anywhere at any time as more and more consumers rely on online shopping for the ease of accessibility and convenience. Promotion is distinguished by the greatest variety of tools and features in the electronic environment, and aided by artificial intelligence, and makes intensive use of ‘search-engine indexing’. The promotion activities, consisting of contextual advertising, social media marketing, email marketing, webinars etc., allow consumers to take part in a communication process. Digitalization enables monitoring the efficacy of promotional activities through examining consumer behaviour in response to an activity, and hence promotional strategies can be designed accordingly (Caliskan et al., 2020).

Lasi (2021) devised the 2P+2C+3S formula for e-marketing mix, which included personalization, privacy, customer service, community, site, security and sales promotion. In the digital context, the validity or exclusion of the traditional mix depends on the whether to add or replace elements in the marketing mix or create a completely new one (Lasi, 2021). Rana et al. (2022) identified and verified six distinct variables, including primary product and service offerings, website content, customer care and relationship, website interactivity, website’s security and reliability and website speed through exploratory and confirmatory factor analysis. This study was one of the first studies making an attempt to identify and validate unique e-marketing mix elements, particularly in the context of a developing economy like India.

Responding to a Crisis

Taking proper marketing decisions is vital for a business to face the challenges and competition posed by the highly dynamic modern business environment. The economic crisis resulting from the COVID-19 pandemic has also created a lot of challenges for the marketing managers all over the world (Raewf et al., 2021). Economic crises like this also call for change in the marketing mix elements, shifting the focus of marketing analysts and experts from traditional marketing to digital marketing (Nikbin et al., 2021). The global economy has also suffered severe consequences, including unexpected transformation of people’s personal and professional lives, and interpersonal relationships all around the world (Smolina et al., 2021). Small and large enterprises all over the world have had to adopt technology and digital operating methods to survive the crisis created by the COVID-19 outbreak, even more because the pandemic gave rise to the need for contactless business practices (Proskurina et al., 2021).

Recessions cause demand for products to decline, and change in customers’ buying behaviour and patterns. In periods of recession, customers tend to demand for products that are durable as well as affordable. Hence, companies may withdraw non-profitable products from the market, and develop new product lines with increased emphasis on durability and functionality of the products, considering the changing buying behaviour of the customers (Tsafarakis, 2015; Nikbin et al., 2021). Studies have outlined that companies that invest in marketing and research and development during a period of crisis are able to recover faster than companies that cut down on their marketing expenditures to hold on to their scarce resources (Raewf et al., 2021). In times of crisis, customers incline more towards cheaper goods, so firms have to offer competitive prices to sustain, but at the same time firms cannot reduce prices by compromising the quality of the products. However, they can reduce the sizes of the goods to offer lower prices to the customers, or they can offer temporary discounts to attract customers (Nikbin et al., 2021). Firms can benefit from investing more on digital marketing as it is more cost-effective compared to traditional marketing, while cutting down the costs of traditional marketing strategies (Nikbin et al., 2021). Expanding the marketing and promotion budget may seem like a bad idea, but its advantages can be seen in the long run, it helps
companies to maintain their market share and brand value, as well as to boost sales (O’Malley et al., 2011; Nikbin et al., 2021). Companies can rule out the channels and intermediaries that do not bring profit, and focus on channels that are more cost-effective and bring more profits, particularly the online channels. Studies have also shown that firms can make profit by entering foreign markets when they are faced with a crisis in the local markets (Nikbin et al., 2021).

Identifying the trends in customer behaviour plays a key role in remodelling the marketing mix and other business activities according to customers’ changing needs. The issues of health and safety, environmental issues and sustainability are gaining more importance in the post-pandemic setting. Yakhneeva et al. (2021) recognized brand trust and personal safety as the two key factors influencing customers’ choice of products. Companies need to pay more attention to combining customer’s convenience and preferences and socially responsible business practices when developing their product lines. The post-pandemic pricing strategies focus more on discounts and promotional offers as customers have become more price-sensitive, and more practical and frugal in their purchase decisions (Yakhneeva et al., 2021). In context of place, the omnichannel technologies need to be improved and offering individual customer experience can facilitate the buyer-seller relationship. Social media has become the main channel for marketing activities that include personalised marketing and receiving feedback throughout the supply chain (Yakhneeva et al., 2021). Having a noticeable presence on digital platforms, and offering virtual navigation and support play a pivotal role for businesses to sustain (Yakhneeva et al., 2021).

Limitations and Recommendations

There are certain limitations to this study. The current study focuses on the existing literature in the context of e-commerce marketing, and discusses the marketing frameworks developed by different scholars and researchers for the e-commerce industry over the years. This study serves the purpose of theoretically scanning the body of literature on the subject, but does not include and explore the statistical evidence on the functionality of the marketing factors discussed in this article. Future studies are encouraged to explore the role of marketing mix on e-commerce in the modern economy. Moreover, future studies can contribute to the body of knowledge through a systematic review.

Conclusion

The concept of marketing mix has been playing an essential role in the field of marketing, especially in marketing education, for over six decades. Business has undergone immense transformation; the contemporary business environment is drastically different from what it used to be in the past. Failure to embrace digitalization puts the survival of firms at stake in the current global setting. With more and more industries and firms engaging in online trade, the e-commerce industry is growing rapidly, and it is not even expected to decline as the possibilities of technological advancements are limitless. The involvement of science and technology makes the e-commerce industry very dynamic in nature. Therefore, it is important to keep constructing new concepts and models that are compatible with the e-commerce industry, rather than shaping the marketing management of e-commerce firms to comply with the existing concepts of marketing.

References


