



UNIVERSITY OF THE PEOPLE

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INSTRUCTOR: MAHER GHALAYINI

THE 4-P VS VALUE APPROACH

Traditional marketing education emphasized the 4-P model focusing on price, product, place, and promotion. However, many modern marketers advocate for a value-based approach centered on creating, communicating, and delivering value. This essay explores the key distinctions and similarities between these two marketing philosophies.

THE 4-P APPROACH

“The four Ps of marketing are:

Product

Price

Promotion

Place

These are the key factors that are involved in introducing a product or service to the public.

Often referred to as a marketing mix, they provide a framework that companies can use to successfully market a product or service to consumers. Since the four Ps were introduced in the 1950s, more Ps have been added to the mix, including people, process, and physical evidence” (Twin, 2024).

The 4-P framework provides a structured way for companies to plan marketing activities.

Product decisions involve developing goods and services to meet target customer needs. Pricing focuses on setting competitive rates that capture optimal revenues. Place refers to making offerings accessible through convenient distribution channels. Promotion covers advertising, PR, and other communications to build awareness and demand.

This model offers a systematic process for executing the marketing mix. It forces discipline in designing integrated strategies across the 4-P elements. Companies following this approach tend to be product-centric seeking to push offerings into the market through persuasive promotion.

THE VALUE APPROACH

“In the value approach to marketing, there are four activities, or components, of marketing which are creating value, communicating value, delivering value, and exchanging value. All the four components of the value approach are verbs and in this approach, marketing is composed of the mentioned four activities centered on customer value. In this approach the first activity is creating a value” (Makhdum, 2017).

In contrast, the value approach puts the customer at the core. It begins by understanding customer needs, behaviors, and desired experiences. Value gets created by tailoring offerings to deliver superior benefits and solutions. Communication aims to engage customers through permission-based two-way dialogues rather than interruptive broadcasts.

Value gets delivered through streamlined coordination of activities across the firm optimized for positive customer outcomes. Pricing reflects the value customers receive instead of being constrained to costs. Distribution serves customer preferences rather than historical channels.

This approach is more agile enabling rapid responses to evolving customer expectations and market shifts. It aligns the entire organization in a unified mission to maximize customer value delivery.

POTENTIAL DIFFERENCES AND SIMILARITIES

Companies embracing the value philosophy would likely exhibit greater market orientation innovation and cross-functional collaboration compared to counterparts clinging to the 4-P

model. However, talented value marketers achieve strong brand equity and customer loyalty whereas ineffective ones alienate customers as egregiously as bad product pushers.

Both approaches share the need for deep customer insights market research and environmental scanning. Firms in each camp still allocate resources determine optimal channels and set pricing though perhaps with different guiding principles. Skilled execution remains critical regardless of philosophy.

CONCLUSION

The value model provides a relevant modern complement to the 4-P foundations. Blending aspects from both allows marketers to develop compelling value propositions and coordinate holistic implementation. As customer expectations and marketing practices evolve staying attuned to creating, communicating, and delivering value may become indispensable.

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