

The Research on the Marketing Strategies Theory and Empirical Based on the Product Value

CHEN Jingdong, HAN Wei

School of Economics and Management, Xi'an University of Technology, P.R.China, 710054
jdchen19639999@sina.com

Abstract: The classical 4P theory was born in the demand market, a company to develop marketing strategies aimed to meet customer the differential interest demand. However, with the US-led financial crisis, making the interests focus on customer needs 4P strategic theory of challenges, in the value market, develop strategies to create value investors become the fundamental purpose. This paper is using marketing strategy theory, proposing the commercial value (value-added / loss) -the new mode of thinking, attention to the value-oriented of dynamic profit and losses, for investors to develop differentiated and satisfaction marketing strategies and to construct empirical structural equation model of the real estate market as the object to verify and obtain a conclusion that there is a significant positive correlation on marketing strategy to the product value's upgrading under driven factors- differentiation and satisfaction.

Keywords: Product Value, Differentiation, Satisfaction, Marketing Strategy, Investor

1 Introduction

Jerome McCarthy Professor made 4Ps theory in 1960, which marketing theory and practice had profound impact, becoming a classic marketing theory. In recent years, Stanley F. Slater (2009)^[1] studied that factors influencing the relative importance of marketing strategy creativity and marketing strategy implementation effectiveness. Li Fei, Wang Gao (2006)^[2] on the 4Ps marketing mix models to improve research and so on. These studies contributed to the theory of marketing strategy for continuous improvement, but less the value adopted the materials. Professor Wang Fang-hua guidance on a doctoral thesis examined the combination of marketing strategy for the impact of brand equity^[3]; they make a greater contribution to marketing strategy theoretical research, but has not yet involved in the impact on marketing strategy to the product value. Liu Fang, Yan Jian-ren (2007)^[4] discusses the relationship of product value and marketing strategy for example the noodle business: business marketing strategy for achieving and enhancing product value is essential. They recognize the marketing strategies can enhance product value (focusing on benefits), but how to upgrade are not theoretical arguments and empirical analysis. Although some scholars have tried to study the relationship between marketing strategy and value, but unfortunately, the existing value is mainly the demand value of benefit / cost. The outbreak of financial crisis makes the social transformation, people from the industrial society into the Commercial society, thus much-needed depth to excavate value, restoring the true colors of the value. This study has an important guiding significance to the investor of the entire value market.

2 The Content and Upgrading of Product Value

2.1 The define of product value

In agricultural society, due to low levels of productivity, output restrictions, in order to guarantee the consumer's basic supply must be reduced inputs as much as possible in order to add value. *The value = output / input*. This concept of value is more concerned about the input. In order to meet customer demand for differentiated interests, enterprises provide customers with more benefits in every possible way. This results in the concept of industrial society's value to a lower cost to be more generous benefits, that is, *value = benefits / costs*.

The US-led financial crisis promotes the social transformation. People have shown unprecedented enthusiasm for the value into the commercial society. Chen Jing-dong said in a referral to the Sina home page's Blog: the value of the business society that is the ratio of added value and the loss, that is, *the*

$value = value-added / losses$ ^[5]. Three times has a value, the commercial value is the only real value, which returns to the origin. The evolution of the concept of value in Table 1.

Table 1 Evolution of the Value Defines

Social Form	Market Characteristics	Study Object	Corporate purposes	The Value Defines
Agricultural society	Supply market	Consumer	To guarantee the supply	$Value = output / input$, focus on inputs
Industrial society	Demand market	Customers	To meet the demand	$Value = benefits / costs$, pay attention to the benefits
Commercial society	Value market	Investors	To create Value	$Value = value-added / losses$, both of equal importance

Since definitions the value of the commercial society, the product value is not hard to define. Product value is the ratio of profit and losses that the investors invest products, that is of value = product value-added / product loss. Product's value-added include time, space and money value added, and product losses include the timing loss, relative loss and post loss ^[5].

2.2 The driving mechanism on product value upgrading

The first man is Michael E. Porter Professor who clearly proposed differentiation and had a tremendous impact. In his book "Competitive Strategy" in 1980, he offered differentiation strategy. Philip • Kotler proposed "product differentiation, service differentiation, staff differentiation, and image difference"^[6], which marketing strategies are differentiated. Lu Wei-ping (2006) thought that the goal on difference positioning marketing is to build differences in levels of a product or service's core interests and values ^[7]. These views show the driving force of differentiation to value.

The majority of empirical results show that customer value is the tendency to lead to a direct antecedent of customer behavior. The studies of Fan Xiu-cheng, Wang Yong-gui and others have shown that customer satisfaction is one of the drivers of customer value, namely, the higher the level of customer satisfaction, higher customer value. The above view shows the driven role of satisfied to value. Satisfaction can drive product value's upgrading; differentiation can also drive product value's upgrading. There was no difference hard to satisfaction, but the difference should be satisfying to investors. And the difference can not be differentiated into the errors due to differences in the sake of differentiation. To sum up, the driving mechanism on differentiation and satisfaction to product value upgrading is shown in Figure 1.

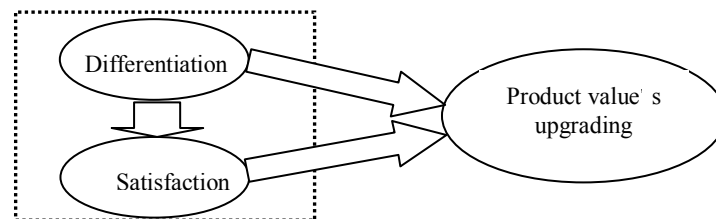


Figure 1 The Driver Model of Product Value's Upgrading

3 Marketing Strategy Analysis of the Impact Mechanism of Product Value

3.1 The influence on Marketing strategy to the derive factors of product value

3.1.1 The influence on product to the derive factors of product value

The studies of many scholars found that the product is factor of customer satisfaction. Products must be differentiated product, the homogeneous product difficult to satisfactory. Parasuraman (1988) that improve product and service quality can create value for customers. These views show that differentiation and satisfaction, driven by enterprises to provide products to create value.

3.1.2 The influence on price to the derive factors of product value

Woodruff et al (1983) study found that prices of the product will affect customer satisfaction. To formulate a reasonable price is important means to increase investor satisfaction. The price of housing is directly related to the investor's profits and losses, investors will inevitably impact on satisfaction. Housing is differentiated, and their prices are different.

3.1.3 The influence on place to the derive factors of product value

Existing research shows that: as one of the main methods to reduce the risk of consumption, the place to bring customer value for customers. The customer is always used to choose more convenient locations to receive services, so customers can reduce costs and increase customer value. Into the commerce society, place, although there were significant changes in the content, but the differentiation is still running through them, but also to enable investors satisfaction is to create more product value.

3.1.4 The influence on promotion to the derive factors of product value

Chen Yi-xiu (2005) found that different categories of promotional products in different ways under the willingness to buy there are differences, positive effects on cognitive value. For different products or different customers need different promotional strategies, which have a significant impact on customer satisfaction. Differentiation throughout the marketing campaign, promotion strategy must be differentiated. Differentiated itself has driven the role of product value, if this differentiation that allows investors satisfied, which are more conducive to enhance product value.

3.2 The routine mode of marketing strategy affects the product value

In the value market, the company through the implementation of differentiated marketing strategy to influence the investors, so investors are satisfied, differentiation and interaction between satisfactions and ultimately enhance the value-driven product. Therefore, this article analysis the influence on marketing strategy to the driving factors of product value's upgrading, based on the combination the driving model of product value, builds the path model on the impact of marketing strategy to the product value's upgrading (Figure 2).

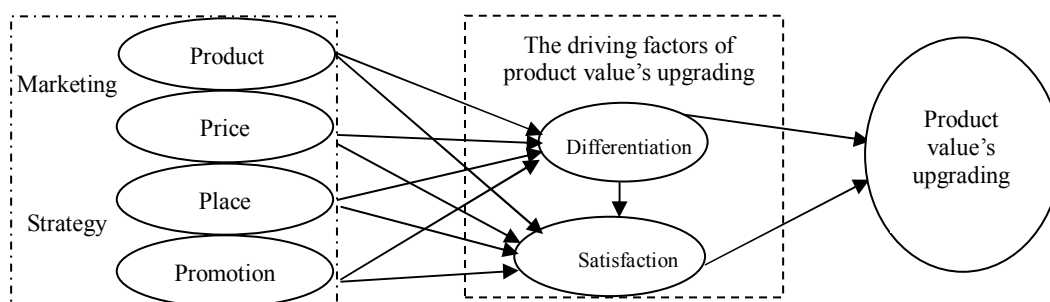


Figure 2 Marketing Strategies Theoretical Model Based on Product Value

4 The Study Model's Assumptions and Empirical

4.1 The study assumptions

The hypothesis of this article is divided into two layers based on foregoing theoretical studies. Firstly, according to the driving mechanism to enhance product value establish hypothesis 1; secondly, the analysis on marketing strategy to the driving factors of product value's upgrading can establish hypothesis 1. Assumptions as shown in Table 2.

Table 2 Summary of Research Hypothesis

Hypothesis	No.	Hypothesis Content
hypothesis 1	H1a	Differentiation to product value's upgrading, there is direct positive influence;
	H1b	Differentiation to satisfaction, there is direct positive influence.
	H1c	Satisfaction to product value's upgrading, there is direct positive influence.

hypothesis 2	H2a1	Product strategy to differentiation, there is direct positive influence;
	H2a2	Product strategy to satisfaction, there is direct positive influence.
	H2b1	Price strategy to differentiation, there is direct positive influence;
	H2b2	Price strategy to satisfaction, there is direct positive influence.
	H2c1	Place strategy to differentiation, there is direct positive influence;
	H2c2	Place strategy to satisfaction, there is direct positive influence.
	H2d1	Promotion strategy to differentiation, there is direct positive influence;
	H2d2	Promotion strategy to satisfaction, there is direct positive influence.

4.2 Sample procedures and measurement methods

This study used a survey questionnaire on the real estate market's investors. Choosing to study the real estate market, mainly because: ① the real estate market is a typical value markets that can bring value added; ② marketing strategy is very important in terms of real estate companies.

In order to ensure that the scale used in reliability and validity levels, this paper tries to learn from this study, the majority of the maturity scale use of domestic and foreign scholars. While others combine the characteristics of the real estate market, in the exploratory research and consult on the basis of the views of some respondents to finalize the scale of this study question items. Due to space limitations, for measuring the latent variable indicators, descriptive statistics and factor analysis result should not be listed. The survey questionnaires were issued, 335 copies; 282 copies of questionnaires were returned, excluding respondents had incomplete and clearly not serious subjects filling in questionnaires received 253 valid questionnaires.

4.3 Evaluation of measure properties and hypothesis-testing results analysis

First, comprehensive reliability analysis is good (all latent variables more than 0.70). Second, for all measurement indicators, the standardized factor loadings are also evident higher than the institute recommended minimum critical level - 0.60, and have stronger statistical significance ($P < 0.005$), fully demonstrated the validity of highly restrained. At the same time, each latent variable, the average refining variation (AVE) are greater than 0.60 to meet the relevant standards of AVE should be greater than 0.50. And the model for each latent variable is the square roots of the AVE are greater than the latent variable and other latent variable correlation coefficient. The path coefficients of structural equation models and empirical results are as follows Table 3($P < 0.05$).

Table 3 Path Coefficients of the Structural Equation model and Empirical Results

Hypothesis	Relations	Coefficient	T	Test results
H1a	Differentiation--->product value's upgrading	0.183	2.209	Support
H1b	Differentiation ---> satisfaction	0.405	3.782	Support
H1c	Satisfaction --->product value's upgrading	0.526	4.714	Support
H2a1	Product---> differentiation	0.342	3.257	Support
H2a2	Product ---> satisfaction	0.275	2.683	Support
H2b1	Price---> differentiation	0.302	3.152	Support
H2b2	Price ---> satisfaction	0.253	2.457	Support
H2c1	Place---> differentiation	0.308	3.226	Support
H2c2	Place ---> satisfaction	0.239	2.421	Support
H2d1	Promotion--->differentiation	0.298	2.988	Support
H2d2	Promotion ---> satisfaction	0.144	2.070	Support

From the results of the analysis in Table 3 is not difficult to see: In the two drive factors to enhance product value, satisfaction is stronger than differentiation impact on the product value's upgrading, so that hypothesis H1a and H1c were supported. At the same time, as shown in table 3, the various factors that affect satisfaction, the difference in the role of the largest path coefficient was 0.405, thus assuming

H1b, H2a2, H2b2, H2c2, and H2d2 were supported. Various dimensions of affecting the differentiation in marketing strategy, product strategy, driven by the role of the largest, followed by the place, price and promotion, so that assumptions H2a1, H2b1, H2c1, and H2d1 were supported. In addition, in all the key dimensions of marketing strategy of impact differences and satisfaction, the effects of various dimensions of the differentiation are greater than the impact on satisfaction. This shows that: Marketing strategies must be differentiated and differentiated marketing strategies also allow investors' satisfaction.

5 Conclusion

After the financial crisis, people unprecedented concerned about the value. In this paper, the theoretical analysis and empirical research findings indicate that marketing strategy (4P) to enhance the value product has significantly positive effect.

(1) This paper further describes the evolution of the value : *agricultural society's value = output / input*, focusing on inputs; *industrial society's value = benefits / costs*, focus on interests; only *the commercial society's value = value-added / losses*, not only focusing on value-added, while paying attention to the losses, return value's origin.

(2) The existing marketing strategy is more than to satisfy customers differentiated interest needs, and the commerce society's marketing strategy is for investors to create more product value. The results show that the marketing strategy to the product value's upgrading has significant positive impact.

(3) Revealing the impact mechanism of marketing strategy to product value. The differentiation and satisfaction as the driving factors to enhance product value, it proves of driver factors ' intermediary role, and strengthens their role as a link. This study has an important guiding significance on marketing activities of the real estate market and the whole value market.

References

- [1]. Stanley F. Slater, G. Tomas M. Hult, Eric M. Olson. Factors Influencing the Relative Importance of Marketing Strategy Creativity and Marketing Strategy Implementation Effectiveness. *Industrial Marketing Management*, 2009 (3):1~9
- [2]. Li Fei, Wang Gao .4 Ps Research on Improvement of the Marketing Mix Model. *Management World*, 2006 (9): 147 (In Chinese)
- [3]. Cang Ping. The Mechanism Research on the Impact Marketing Strategy Combination to Brand Equity. Shanghai: Shanghai Jiao Tong University Ph.D. Thesis, 2007:88 (in Chinese)
- [4]. Liu Fang, Yan Jian-ren. Product Value and Marketing Strategies. *Market Modernization*, 2007: 188(in Chinese)
- [5]. Chen Jing-dong. The Using the Commercial Value to Invest Stocks. http://blog.sina.com.cn/s/blog_5a838a150100epsq.html, 2009-9-17(in Chinese)
- [6]. Philip•Kotler. *Marketing Management* (12th ed). Mei Qinghao Translation. Shanghai: Shanghai People's Press,2006: 352~355.
- [7]. Lu Wei-ping. The Research on the Definition of Differences Marketing and the Building Analytical Framework. *Journal of Hebei University of Economics*, 2006(5): 49 ~ 54 (in Chinese)