

## INFLUENCE OF THE MARKETING PARADIGM'S CYCLES PATTERNS ON THE GLOBAL ENTREPRENEURSHIP

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**Abstract:** The relevance of the current study is conditioned by the need to forecast the structure of methodological tools, effectively reflecting the interests of participants of product distribution through better perception of their own benefits. This forecast might be possible with the right choice of marketing paradigms decisions at a certain time point with the necessary adjustment of the business and marketing practices. This choice gives the possibility to increase the efficiency of commercial activities of the participants of the product distribution. The aim of the study is to carry out the analysis of the evolution of marketing paradigms and concepts, identifying the stages of the evolution, rationale and feasibility of the transformation of the marketing paradigms on the example of best marketing practices. Objectives of the research is systematization of marketing paradigms, identification of their strengths, weaknesses and key differences from each other, characteristics of the fundamental differences of paradigms from concepts of marketing, revealing laws of the development of marketing paradigms. The subject of the research is the peculiarities and distinctive features of marketing paradigms and concepts, processes of their evolution and also the scientific outlook on the further development and possible transformation. The results of the study are the patterns identified, forecast of the evolution and transformation of the marketing paradigms, the establishment of the principle of cyclical paradigms as the inherent property of the evolutionary process that is an element of scientific novelty that meets all its characteristics such as uniqueness, repeatability, validity, practical significance and objectivity.

**Keywords:** Marketing paradigms, evolution, cyclicity, transformation, forecast.

**JEL Classification:** M31, O31, O24.

### 1. Introduction

Marketing science inherently contains a principle of diversity of marketing techniques, each of which has individual effectiveness and scope of application. At the same time, the combined use of these techniques provides a synergistic impact of these marketing tools. As a result such a marketing definition as "marketing mix" has been developed and conceptualized. Further on marketing activity as the quantitative accumulation of information has been transformed into the conceptual one and the term has not only become widespread and universal accepted, but is a constant subject of discussion in the marketing science. The scientific community discusses the necessity of justifying marketing paradigms and concepts, assigning to them specific elements, the constant saturation of these elements with new features to meet customer needs, on the one hand, and reaching the margins of the business processes of participants in the distribution chain, on the other.

The research is based on such scientific works as E. J. McCarthy, N. X. Borden, B.N. Bums, M.D. Bitner, F. Kotler, R.F. Lauterborn, L. Berry, J. Gordon, Michael Porter, Li, Jiang, B. Schmitt, Pine II, B. Joseph, Gilmore James H., Trout J, Rivkin, Baiqing Ye, Taiping Ge, Ries and others.

## **2. Methodology**

The beginning of the paradigmatic development of marketing was initiated by the study and further recognition by theorists and practitioners of the formalized by Professor of marketing concept Borden (Borden, 1964) of the marketing mix that includes four groups of marketing tools, named for ease of memorization with the initial letter "P": Product, Price, Place, Promotion. Due to its simplicity the "4P" marketing mix has not only gained widespread and universal acceptance but also has become the essence of the first marketing paradigm 4P which is being the marketing imperative.

Subsequently Professor E. J. McCarthy (McCarthy, 1960) proposed his own extended model of the marketing mix, consisting already of not 4 but 12 items.

As it has been known, E. J. McCarthy did not describe in detail each of the four elements of the marketing mix and limited only by the formulation of classes of these elements. The followers of his concept strongly believe that he did it to ensure that the content of these classes was evolutionally adapted to the changing marketing situation (Ginevicius, R et al, 2012).

In this form the classification of the marketing mix began to spread even more successfully and promptly than the concept proposed by N. Borden, replacing it in fact. Under such circumstances, the followers of E. D. McCarthy undertook attempts to expand 4P to acceptable for good practice fact, developing the size of its P-elements firstly to five, and later included, with the approval of the scientific community, three additional P-elements: People, Process, Physical Evidence.

Building on the tremendous popularity of the first marketing paradigm "4P", less recognized conceptual modifications such as green marketing, socially-oriented marketing, the concept of visual and olfactory merchandising began to form (Zhang & Zhu, 2013). There are quite a lot of such conceptual modifications of the marketing mix today (Ke, J. 2015), but they do not represent well-established paradigms, can be filled with tools of various kinds and are the subject of discussion in marketing science.

The most attractive, the second one, was the marketing paradigm "4C", proposed by Professor Lauterborn (Lauterborn, 1990), who modified the marketing mix "4P" into "4C", including such components as: Customer value, Customer cost, Convenience, Communication. However, he noted that these elements concentrate the participants of supply chain exclusively on the customer, whereas in the paradigm of "4P" there is a focus on the required sales of previously produced goods.

The emergence of a new marketing paradigm "4C" means the change of the focus of the marketing efforts of companies on manufacturers and suppliers to meet the customer needs. This paradigm was later named neo-classical marketing paradigm. (Vanwaterschoot, Vandenbulte, 1992) Given that the paradigm "4C" is focused exclusively on the consumer, some marketing theorists have understood it as the concept of customer orientation or customer-centric marketing. However, the concept of customer centric approach does not let fully judge about the category of "value" in marketing, while highlighting only the value that results from

the use of such a concept and that the company offers to its client and consumer, without assuming that the clients in this case are not equivalent "value" for the company.

In response to criticism of many opponents to the classic marketing paradigm "4P", who have not received satisfaction from the newly established neo-classical paradigm "4C" due to its low recognition by the members of the scientific community, at the end of the XXth century the third, post-economic paradigm of relationship marketing was formed. For the first time the name of this concept is referred to by the American Professor of marketing L. Berry (Berry, 1983) in the context of service marketing to describe a new approach to marketing, oriented to a longer interaction with the consumer (Li Z. & Li J., 2013).

In the development of this concept modern marketers - promoters of the concept of the Relationship Marketing - offer to rename it into the Customer Mix, Portfolio of Customers (Rizan, M. Et al, 2013). Along with the aforementioned 4C, they include other elements into it bringing the number of elements to 11C (Rong, 1996): Customers, Categories (categories - category management tools), Capabilities, Cost, profitability and value, Control of the contact to cash process, Collaboration and integration (Liao, H., 2013), Customization (customization of the selling proposition), Communications, interaction and positioning (interaction with buyers and suppliers, positioning of the company) (Poorangi & Khin, 2011), Customer measurement (evaluation of the company's activities by the buyers) Customer care (Ku, E. et al., 2016), Chain of relationships (chain of relationships - a tool of relationship marketing with suppliers (Grundey & Daugelaite, 2011).

The background of the genesis of the post-economic paradigm of relationship marketing began to form in response to the emerging at that time growth of commodity production and crisis of product distribution. The interaction of integrated participants of distribution channels has become their competitive advantage. In addition, it is the interaction, integration and mutual consideration of interests of all participants of the value chain, and not the physical process of physical movement of goods itself, that is the key feature of the new marketing paradigm.

To be fair it is worth noting that the concept of positioning under discussion defined as an imperative of the post-economic marketing by Trout, Rivkin and Ries at the turn of the twentieth and twenty-first centuries, relied on the already proposed marketing concept of the Unique Selling Proposition (USP), suggested by the Director of the American advertising agency, a leading figure in the American advertising, Reeves in 1960. The concept by R. Reeves implied the maximum consideration of perceptual psychology of the selling proposition by the target consumer audience (Meurer, A. et al., 2015).

The development of the relationship marketing paradigm owes to the work of J. Gordon (Gordon, 2001) who introduced Michael Porter's value chain through the continuous cyclical process of identifying, creating and providing new values together with customers, and then co-production, distribution of benefits from these activities between participants of the interaction. The relationship marketing paradigm, according to the author, needs and can be presented in the form of the similar to the previous marketing paradigms mnemonic formula "4R" – Relationship, Relevancy, Retrenchment, Rewards - relationships, relevance, exclusion, promotion - and involves the understanding, focusing and management of value generated through the joint activities of providers of trade offers and their selected buyers in their interdependence and mutual adaptation, as professor Kiselev points out (Kiselev & Syaglova, 2016). In contrast to the Michael Porter's concept of the value chain, J. Gordon believes consumers become part of the value process.

The next stage of evolutionary marketing development is the formulation of the experiential marketing concept because of the awareness of the need and possibilities of manipulating the perception and feelings of consumers with the aim of achieving synergetic effect from their impact. The name to this new marketing concept was given by the American Professor B. Schmitt (Schmitt, 2001). He proposed to define the achievement of holistic consumer experience as the goal of experiential marketing. He has identified five main elements of the communication complex, called the strategic emotional modules: perception, feelings, thinking, empathy, and action. The author proposes to designate these five modules by B. Schmitt as the mnemonic formula "4E" – Experience, Emotions, Empathy, Excogitation – experience, emotion, empathy, inventing (Kiselev & Syaglova, 2016)

The evolution of the concept of experiential marketing as the fourth marketing paradigm, as suggested by a number of Russian and foreign scientists (Pyne, 2005), in the field of marketing, is clearly demonstrated by the development of convergent communications. However, with the absolute conviction of the author, experiential marketing is not a paradigmatic stage of marketing development, but only conceptual content of the current paradigm "4R", as it does not change essentially its main provisions. In this case, it is reasonable to assume a transition from partnerships among all participants in the value chain to dominance of the manufacturer/provider of the unique selling proposition. This transition will be accompanied by the succession of intermediate concepts. In this connection it is worth noticing that the concept "4E" can mutate into a transformational concept "4T", the main aim of which is teaching the consumer/customer characteristics and the potential utilization of trade offers of the seller, its equipment, mixing, preparation, adaptation, personalization, etc. in order to increase mutual benefit and value. In author's opinion the concept of transformational marketing can be presented in the form of mnemonic formula "4T": Training education – teaching the consumer/customer specific procedures, saturating the choice, purchase and consumption of a trade offer with emotional and other experiential components, including the associative-metaphorical perception; Teaching is the provision of the required by a consumer advisory assistance and support in the form of information-methodical and entertainment-shaped component through omni-channel communications; Tutoring is systemic, unobtrusive control over the consumer education through conferences, competitions, social media marketing, lead generation, etc.; Tutelage is the protection of consumers from consumption or use of a trade offer, leading to unplanned consequences.

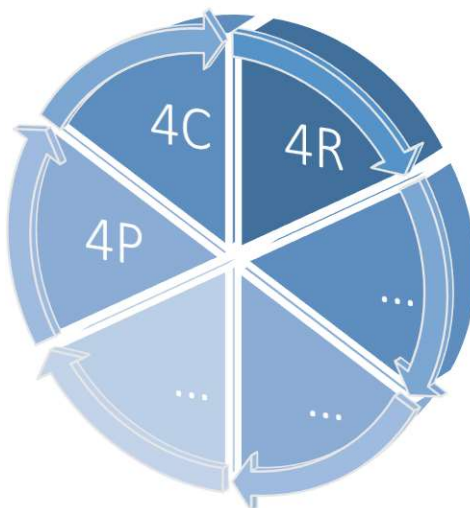
The tools of the previously described empirical marketing concept "4E" involve the implementation of the trade offers of the seller only via the emotional component. Currently, however, there is an accumulation of dissatisfaction in relationships among members of the value creation chain with the emotional and symbolic aspects of the perception of the trade deals, which is eliminated by the concept of transformational marketing "4T".

Relying on the above presented distinguishing features, both positive and negative traits of marketing paradigms and concepts, the author came to the conclusion that in order to identify and recognize the basic development cycles in the marketing science, it is necessary to identify those stages that relate to paradigmatic ones, such as "4R", "4C" and "4R", and those that are only conceptual content of the existing, recognized by theorists and practitioners, marketing paradigms, such as, for instance, experiential and transformational ones.

The author believes that the evolutionary cycle of the change of marketing paradigms can be represented in the form of a cyclical dynamic model of the "Wheel of marketing paradigms", which is given in Fig. 1 (Kiselev & Syaglova, 2016).

Thus, moving from the first stage of the paradigm cycle - domination of the manufacturer "4P" - towards the next stage of the paradigm cycle - domination of the consumer "4C", and further – to the paradigm "4R", which brings essentially the efforts and capabilities of the first and second paradigms into a partnership, the driving force behind the changing marketing paradigm is the confrontation of the technological and psychological factors with simultaneous internal change under the influence of the time factor. This circumstance makes it appropriate to understand the cyclicity of marketing in its centrifugal development.

*Figure 1: Dynamic cyclic model of "Wheel of marketing paradigms"*



*Source: (Kiselev, V., Syaglova, Y. (2016). The marketing paradigms transformation (cyclical dynamic model). The manuscript was deposited in the Russian copyright society. Certificate №23672 dated 05.04.2016.)*

Continuing the study of the development of the genesis of the marketing paradigms, the author is convinced that there is high likelihood of the forecast of the new stage of the paradigm cycle with the substitute of the current dominance of the paradigm "4R" with its conceptual species for the paradigm "4P¢", which is a modified version of "4P", which will be characterized by superiority and preventive usability of the product as the main requirement while purchasing, as previously reported. It is assumed that in its version "4P¢" marketing will be back to well-known "4P" tools described by N. Borden and George Mac-Carthy. However, the phase "4P¢" would suggest the evolutionary development of these elements under the influence of the time factor, impacting in its turn the technological and psychological aspects of the perception of trade offers.

In a modified paradigm 4P¢ traditional product offering of the manufacturer in the paradigm "4P" is being transformed into the commercial offer of the supplier/reseller. By analogy with the paradigm "4P" it is possible to describe the change of its traditional instruments (Syaglova, 2016).

- Product – is already understood not as a material value, but as an integrated unique selling proposition (Unique Selling Proposition – USP), in which a specific product SKU (product option), offered to a customer at the point of sale, is only part of total customer value and represents a set of functional, emotional and symbolic attributes.
- Price is not the price as in the paradigm "4P", but the value perceived with the purchase/consumption/use of the trade offers. In this case, the price is correlated with the acquired value and the customer is usually willing to pay more if the offer has personalized, unique, and not comparable with other suppliers, value. Category and a specific value of the

price can and should rise increasing in accordance with the size of the proposed values. In the end the vendor that provides the consumer/consumer with the highest level of perceived value will be in the most advantageous position.

- Place – omni-channel distribution – is the third element of the concept "4P¢". Today it can be argued that the significance of points of purchase/sale as localization, typical of the paradigm "4P", is lost. Due to rapid development of new high-tech channels of distribution, such as the system of electronic sales and Internet technology in general, the possibility of buying products at integrated sites E-bay and etc., each customer by himself generates the optional point (channel) of the purchase and familiarity with the product in accordance with the convenience of acquisition and payment opportunity for product offering (Omni Channels). Thus, it is wrong to understand that the value of omni-channel distribution is high for all categories of customers/consumers. On the background of mass spread of purchases via digital technology traditional (Off-Line) points of sale continue to create particular value for many customers/consumers. In addition, each company with opportunities to improve the level of its value offered to target consumers by using the physical point of sale, aims to create a higher value proposition in it as a unique advantage. So it can be concluded that in a modified paradigm "4P¢" a point of sale is an integrated communication, which has no place, for example, for traditional merchandising, based on the possibility of purchase/sale of goods without the seller. In this case, on the contrary, the seller himself is an important part of the trade offer. Part of the target consumers can be indifferent to the point of sale, owing to certain reasons, for other consumers buying goods in the point of sale is technically difficult and buyers need additional training, setting up and demonstration of the capabilities of the purchased goods in the home, so they choose home delivery of goods through the use of omni-channel distribution, whereas the remaining portion of the target consumers are interested in the cognitive component of the trade offer and they deliberately come to the point of sale in order to experience integrated communication.

- Promotion - the promotion of sales by means of communication - currently has no less important significance, as it was originally. Communication not only has not lost significance, but, on the contrary, due to temporary transformation, converged, getting closer to the very trade offer.

Thus, it can be argued that all the elements of the modified paradigm 4P¢ at the current stage of the marketing cycle are in a state of competitive differentiation and must be clearly and reasonably presented for the target customers.

Describing the upcoming level of competition in target market segments within the concept "4P¢", it can be assumed that it will be increasing with the creation of unique value, as not all providers of the trade offer will understand and realize this process as a significant one. Therefore, at present, as it has already been pointed out earlier by the author, all three marketing paradigms – "4P", "4C", "4R", and two intermediate concepts – "4E" and "4T" in conjunction with the change of marketing cycle in the direction of "4P¢" do exist in the market simultaneously and customers are free to decide within which marketing paradigm they should make their consumer choice. Consumer demand in this case is situation oriented. The marketing paradigms are not able to keep their target audience constantly – consumers migrate from one kind of the marketing paradigm to another according to situations of purchase/consumption. This is an additional justification for the paradigm multiplicity of marketing.

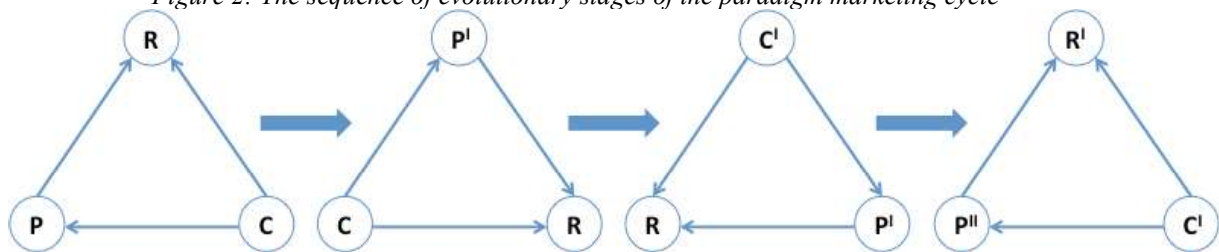
Within the development of the paradigmatic marketing cycle it can be assumed that some market participants will compete only on the price level, by differentiating only through the functional properties of their proposal. Another part of the distribution chain members will

compete due to the differences on the level of emotions. Finally, trade offer suppliers of the third strata will compete on the level of differentiation and positioning of the symbolic properties and attributes of their products such as storytelling, branding, etc. In each particular stratum its own level of competition will be formed. Herewith the number of trade offers will be reducing from the functional stratum to the symbolic one similarly with the level of competition in these strata.

Genesis of the marketing paradigms, in the opinion of the author, as described earlier, involves their transformation which is of cyclical character. Cyclicity also presupposes centrifugal deployment of the evolutionary spiral along the time axis from past to future (Kiselev & Syaglova, 2016).

In this the paradigmatic marketing cycle is being formed of the successive evolutionary stages: from main – a paradigm shift "P", "4C", "4R", which can be denoted as P-C-R to the modified varieties P'-C'-R' (Fig. 2).

Figure 2: The sequence of evolutionary stages of the paradigm marketing cycle



Source: (Syaglova, Y.V. (2015) Systemic analysis of marketing paradigms, Innovations and investments, vol. 12, pp. 70-73.)

Between the previous and subsequent stages of this cycle there will be formed and continue to exist a number of modified concepts, filling them with new and/or additional elements. These concepts are prerequisite and necessary elements of a substantial transformation of the current evolutionary stage and its further change. The concepts, due to the fact that they are not universally accepted (unlike the paradigm), are being multiplied and do simultaneously exist forming a cloud of conceptual diversity. This conceptual diversity is generated through conceptual freedoms, which is a response of market actors to the imperatives of the current marketing paradigm. The number of such concepts and the extent of their differences express the measure of paradigmatic disagreement with these market actors. The variety of marketing concepts through the convergence of their inherent marketing tools contributes to the progressive change of the evolutionary stage of the paradigm cycle.

As it was emphasized earlier by the author, at present the paradigm "4R" is the pinnacle of the marketing paradigm stage P-C-R trigon than reflects the result of the harmonization of interests of a significant share of market participants using and endorsing the tool set inherent in the "4P" and "4C" evolutionary stages of the paradigm cycle. However, due to the accumulation of the discrepancy of market actors with instrumental imperatives inherent in the stage "4R", the top of the specified trigon will consistently change into "R'", and later "C'" and "R'". At any time point the parity state of the trigon may collapse, as each of the system participants is trying to obtain more favorable terms of market activity. The case given, branding versus no branding, in the current time period demonstrates the beginning of the conflict between the imperative stage of the trigon of marketing paradigms: customer relationships – "4R" and the dawn of a new phase – the emphasis on the product "4P'", but with the new rules of marketing support, as previously has also been reported. In the above described cases these rules relate to branding.

However, these rules are not the only contradictions between the stages "4R" and "4P". Even today visible manifestations of other product innovations are more significant for consumers than the relationship. Such product innovations include the use of new ingredients such as palm oil, Goji berry, coral water, etc., new technologies, for example, farm products, eco-friendly and authentic products, gadgets, etc., the emphasis on the place of origin, for example, reemerged in Russia Crimean wine, new appellations – Raevskoe, the Russian production of cheese such as Gouda, Camembert, Parmesan and other types non-imported cheese. These product innovations illustrate the change of market vectors in the direction of commodity dominance, respectively changing the importance of relationship level for consumer demand into the secondary level.

Another example to illustrate the loss of significance of relationships as an essential element of the paradigm "4R" is the described by the author earlier trend of omnichannelness, which gradually destroys the customer loyalty to certain traditional points of sale (off line). Now these off line trade enterprises are easily replaced by customers with on line opportunities which are more convenient for them, such as:

- information search – the loss of the traditional monopoly on search and retrieval of information by customers, previously available only on the arrival at the traditional off line store, led to the fact that modern consumers can get an unlimited amount of information on the goods they are interested in from the comfort of home or office via the Internet technologies;
- treatments of choice – information is provided on the ability of goods search and selection by customers from an unlimited product range submitted for review in the online shops of manufacturers, retailers, integrated with sites like E-bay, Wikimart, Marketplace (MVideo Booking.com, Airbnd, etc.) characteristic of a completely different forms and types of commercial activity.
- possibility of the relevant choice and ability to compare properties and prices of goods – the customer very often has to be held hostage by a large and deep product range presented in traditional off-line points of sale. In this case it is quite difficult to navigate and choose the right product for a customer. Particularly acute the problem is in large-scale off-line department stores, shopping malls, etc. Omni-channelness provides the customer with the opportunity to quickly and easily find the required product. For example, a huge range by the Internet store of the company OZON.ru, that includes more than 4 million of SKUs which are growing daily, are examined by a customer in a few minutes by using the procedure of the relevant product selection by brand, price, quality, etc. that allows to quickly choose a product, using the power to compare properties of similar items.
- procedures and logistics of delivery – modern omni-channel sales technologies offer customers the ability to order products from virtually anywhere on the globe and obtain it in convenient for the buyer way. An interesting case demonstrates the refusal of customers from home delivery of goods by a courier in favor of getting it in the outlets of this online store, points of delivery of the goods with other online stores or automated postal stations – packstations, installed in business centers, retail stores and even at the house entrances. Sometimes customers pay even a bigger sum of money for shipping to the point of delivery or packstation, deliberately ignoring the free and the convenience of getting the goods at home or office via express delivery service in order to save time associated with waiting for a courier, security, special price concessions provided by the Internet store if the customer selects self-delivery and not express delivery service.

All the above elements of omni-channelness, according to the author, free the customer from imposed relationships with both the seller and the manufacturer. And since the key element in



this case is the product itself, it indicates that marketing paradigmatic wheel is beginning to move towards the dominance of paradigm "4P", which has been told about earlier (Syaglova, 2015).

New concepts spreading in the market environment make the "Wheel of marketing paradigms" crank, resulting in the subsequent stage of the paradigm cycle. It is advisable to allocate a few patterns that, according to the author, characterize the development of the marketing paradigm cycle in the changing economic environment (Syaglova, 2016):

1. A cloud of conceptual diversity is being objectively formed between paradigmatic steps in the timeline. Currently between the paradigms 4R and 4P' two marketing concepts "4E" and "4T" have been formed and simultaneously exist in the form of conceptual diversity. As it has been mentioned above, this diversity has emerged as a conceptual response to the disagreement among participants in the areas of vertical distribution with the imperative tools corresponding to the current paradigm "4R", distinguishing it from other paradigms in essential respects. Basically the cloud of the conceptual diversity is due to the conceptual freedom of these market actors, reflected in the accessible potential variance in the marketing behavior of the participant from the imperative in favor of the marketing benefit.

2. Each participant of the market environment to his own benefit can spontaneously deviate in his behavior from the currently dominant marketing concept. This fact is the explanation of the continuous genesis of new marketing concepts.

3. Evolutionary stages of marketing paradigms are systemically aggregated in the form of a trigon: three elements are connected to each other by important relationships. The tip of the trigon is the imperative. This tip is dynamic, for this reason the previous evolutionary stage of the paradigmatic genesis is replaced by the next one. However, the sequence of these stages is constant: P-C-R.

4. "Wheel of marketing paradigms" rotates along a centrifugal spiral path, unfolding from the center to the periphery. The trigon P-C-R is replaced by P'-C'-R', etc. Turbulence of economic processes encourages the members of the vertical sales to initiate the change of the peaks of above mentioned trigons.

5. Time scale marks of the centrifugal spiral path of rotation of the "wheel of marketing paradigms" are in the exponential dependence ( $f = e^x$ , where  $e = 2,7...$  is Euler's number) at which the higher up the time scale, the smaller the distance between the scale marks. This distance over time tends to zero, bringing the function to the phenomenon called the singularity. At this point the mathematical function tends to infinity or has any other irregularity of conduct.

All subsequent events of the paradigmatic genesis will rapidly succeed each other till the moment when due to changes in the market environment marketing tools are convergently modified. Following this phenomenon a new era of the genesis of marketing paradigms and concepts will come.

### **3. Results**

In the research the author explained the principle of the cyclical nature of paradigms as the inherent property of the evolutionary process which is an element of scientific novelty and meets all its characteristics such as uniqueness, repeatability, validity, practical significance and objectivity.

In support of this hypothesis, there is presented the case of the emergence of a new conceptual approach to "no branding" of socially harmful goods (the term is given in the original edition) on the example of tobacco goods, which was called "Plain packaging" and

firstly introduced by the Healthcare Department of the Government of Australia in 2012 (Syaglova, 2016). According to this conceptual approach, customers will reduce their need to smoke in absence of familiar brands on the package which they express their loyalty to. This concept has gained its fame thanks to the measures of state regulation of consumption of socially harmful goods such as tobacco products, alcoholic beverages and others. These governmental programmes were put into practice of state regulation of the commodity markets in Australia (from 1.09. 2012) and later in the UK.

At the recently held in Moscow (Russian Federation) summit of the retail traders "Retail Business Russia 2016", organized by BBCG, the discussion of this concept took place in the format of a round table with invitation of experts on the subject from different countries of the world: Paul Baxter (Director General of the National Federation of Independent Retailers of the UK - NFRN), Michael Lee (Managing Director of the International Advertising Association - IAA), Sinclair Davidson (Professor of Economics, Royal Melbourne Institute of Technology University), Dean Gilfillan (CEO of JTI Russia). Following the discussion, all experts are unanimous in their opinion that the impersonal (no brand) packaging of tobacco products has not brought the desired social effect in the form of the reduction of the number of smokers. Over the past 4 years (2012-2016), the number of smokers in Australia has dropped by mere 1.5 %, which most likely does not exceed the amount of statistical error [8]. However, foreign experts noted that no brand packaging of tobacco products has resulted in serious negative economic consequences. Thus, in response to no branding and making packages of products by different manufacturers look similar there happened smoothing of price and quality differentiation of goods. In the minds of consumers the packages have become identical and, therefore, the need to pay a higher price for a no brand package disappeared. Herewith the average level of the realized demand on the price scale significantly decreased in its absolute value. Smokers began to buy goods with lower retail prices, which means that a price target set earlier by the state in the direction of growth has become a natural fall, opening access to tobacco products for consumers with low incomes, which is reflected both in the growth of the number of smokers due to the emergence of segments of the consumer audience, and in the growth of consumption. Both phenomena are negative from the point of view of protecting and supporting the health of the nation and in flagrant contradiction with the goals of the government program. As stated by the General Director of JTI Russia, Dean Gilfillan, the experiment in Australia with no brand packaging for tobacco products demonstrates the futility of such regulation of consumer markets. According to his words "the only proven effect of the introduction of no brand packaging of tobacco products was the prioritization of price over quality, because it was the price that was the only significant criterion for consumers in their choice of cigarettes." Dean Gilfillan also noted that such restrictions in these countries can also impact other commodity groups such as alcoholic beverages, fast food, carbonated soft drinks, toys, sugar and computer games. In addition, foreign experts, relying on the research carried out, noted that another negative phenomenon of the introduction of the concept of no brand goods in the framework of the concept of state regulation of socially harmful goods both in Australia and in the UK was the criminalization of the production sphere and tobacco products sale. Experts estimate that around 50 % of the UK smokers have switched to the consumption of illicit tobacco products from China and other countries with cheaper production resources (labor, means of production, logistics). Of course, the manifestation of such phenomena affects the filling of the state budget with the lack of fiscal charges (taxes, fees, customs duties, excise taxes, etc.).

Apart from Australia and the UK, similar laws were adopted in France and Ireland. However, in France the given governmental measures have already been considered inappropriate and were terminated.

In Russia there is also some discussion about the need for no brand packaging of tobacco products and alcoholic beverages. Thus, on the basis of the data of the VCIOM sociological survey among 1500 Russian smokers, it has been revealed that more than half of the respondents (53 %) said that branded cigarette packaging allows to distinguish a quality product from a fake, and about 2/3 (65 %) of respondents expressed their concerns that no brand cigarette packs will lead to an increase of counterfeited goods. In the same survey the majority of respondents expressed their confidence that no brand packaging will lead to lower prices and increase the level of affordability for customers. In the end, 2/3 of respondents (66 %) are sure that “no brand packaging” will not reduce the demand for tobacco products. Currently, more than 80 % (81%) of smokers choose tobacco relying on the brand name. Only a small share of Russian smokers (9 %) focus on price [9]. Another interesting fact is that in Russia on May 15, 2016 there came into force Technical Regulations on tobacco products (TR TS 035/2014), adopted on the basis of the Decision of the Council of the Eurasian Economic Commission № 107 dated 12.11.2014, which has stricter rules for packaging of tobacco products. In accordance with the new requirements illustrations showing the effects of tobacco use for the vital organs of people will be depicted on both sides of the pack. These images must occupy at least 50% of the side space of the pack. In addition, the pack must not display the words: soft, light, etc., facilitating the introduction of customer confusion about the consequences of smoking. These new rules will be mandatory for application from November 15, 2017 (Syaglova, 2017).

The case presented by experts clearly indicates the inappropriateness of “no brand” goods even in the socially-oriented state programs. As can be seen from the information given in this case, the procedure of “no branding” emphasizes importance of the properties of the goods themselves for the consumers, and additional features, accents, convenience and comfort are losing their former significance. This fact is justification of the hypothesis, proposed earlier by the author, about the impending shift stage of the paradigmatic marketing cycle.

In addition to the given case about “no branding” products here is another one, concerning the positive impact of branding the product packaging of the product type under study on the example of Russian producers. So, according to Federal Oversight Service for Consumers’ Rights and Human Welfare (Rospotrebnadzor), the modern practice of cigarette and pipe tobacco manufacturing has introduced the so-called tobacco “sauces” for upgrading substandard tobacco raw materials, not previously used as the main ingredient in the tobacco blend and added in small amounts only by few manufacturers to reduce the cost of raw materials. To give a finished product the high image with the appropriate price level producers brand packs of their inadequate quality goods. Such products are willingly bought by consumers at significantly inflated prices. This case demonstrates the situation opposite to “no brand” goods.

#### **4. Discussion**

Summing up the research of the analysis and prediction of the transformation of the marketing paradigms, one should clearly distinguish between established, generally accepted marketing paradigms and their conceptual variety, saturating the paradigms with the required in the current time period tools. All in all alternative marketing paradigms are three – “4P”, “4C”, “4R”. They represent stages of the paradigmatic cycle of marketing.

The genesis of the development of marketing paradigms can be represented as a dynamic, cyclical model of the "Wheel of marketing paradigms". Being the imperative of modern marketing the paradigm "4R" will be replaced by the next stage of the paradigmatic marketing cycle "4Pç", which is a modification of the traditional paradigm "4P". The concepts "4E" and "4T", which have been presently spread, are not paradigms at its core, but the necessary transition phases of change in the current stage of the paradigm cycle.

All stages of the paradigm cycle, including their modifications, are simultaneously present in the target market segments due to the customer loyalty to them, having a pronounced situational character, which also determines the migratory nature of the target customer segments within the total amount of customer/consumer audience.

Cyclicity of marketing paradigms presupposes centrifugal deployment of the evolutionary spiral along the time axis from past to future. The paradigm marketing cycle is formed from the successive evolutionary stages, from the main P-C-R to the modified varieties.

In the development of the paradigm marketing cycle there are several patterns which characterize its transformation in the changing economic environment.

## **5. Conclusion**

The main findings of the study are the following.

The existence of three generally accepted marketing paradigms – "4P", "4C", "4R" have been scientifically substantiated.

After a comprehensive analysis of marketing concepts the author has revealed their clear difference from marketing paradigms.

As a result of the research the author suggested the cyclic dynamic model of the "Wheel of marketing paradigms" which can "crank" under the impact of time and technological factors.

The author established the existence of the trigon of paradigmatic marketing stages, the top of each of which reflects the result of the harmonization of interests of market participants, applying and approving the tool set inherent in the evolutionary stages of the paradigm cycle. The parity condition of the trigon according to the author may collapse at any time because of the desire of certain market participants to obtain more favorable terms of market activity.

All subsequent events of the paradigmatic Genesis will rapidly succeed each other till the moment when due to changes in the market environment marketing tools are convergently modified. Following this phenomenon a new era of the Genesis of marketing paradigms and concepts will emerge. It is quite possible that in a decade the paradigmatic genesis will begin anew with the step 4P.

## **Acknowledgment**

This paper is an output of the science project of system analysis of marketing paradigms and concepts of marketing, which is about the strengths and weaknesses of the marketing paradigms, questions of marketing paradigms evolution and establishing the laws for their further development in order to improve efficiency of business processes of the companies.

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