SAFE: The New-Age Service Marketing Mix for the New-Age Internet-Based Services

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Abstract. Internet-based services have emerged at a fast pace, but the literature thereon has not kept pace with it. Researchers and marketers still refer to the traditional marketing frameworks to define and manage these services. This paper argues that this approach is detrimental both to the academicians and the practitioners. The paper attempts to establish that Internet-based services are significantly different from the traditional services and require contemporary marketing frameworks. Further, a new-age marketing mix, SAFE, is proposed, which is expected to help marketers manage Internet-based service more efficiently.

Keywords: marketing mix, SAFE, 4Ps, McCarthy’s mix, service mix, Internet-based services

JEL Classification: M310

1. Introduction

Services have undergone major transformation in terms of their business models, offering, pricing structure, and fundamentals, which have made them more ubiquitous, accessible, and engaging (Panwar and Khan, 2020). The shift in services has followed a systematic pattern that is led by a host of technologies such as the Internet, the cloud, big data, robotics, machine learning, and now artificial intelligence (Arthur, 2017). Technologies have further helped the evolution of service into entities that draw upon intelligent elements of (service) functions and often render some traditional human activities obsolete. The coming of age of the spatial and temporal boundaries has broken the myth that service can be provided
only in a face-to-face set-up (Heinonen and Pura, 2006; Vargo and Lusch, 2004b). Thus, a Netflix user can watch his/her favourite series from wherever s/he wants to, and a Book My Show user can book his tickets without any spatial restrictions.

Internet-based technology has significantly transformed how services work in sectors such as retail, banking, transport, healthcare, and hospitality. While having a traditional footprint, these sectors have received a major fillip with the advent of technology. These businesses have been able to integrate their tech platforms in a customer’s daily routine making mundane tasks redundant. For example, payment by Paytm wallet has become a habit for a lot of customers, which does not require a lot of decision making on the customer's end while paying for certain products or services. Internet-based new-age consumer services (detailed in Section 2.2 – How Different Are Internet-Based Services Anyway?) offer a solution while leveraging their core competencies, which are often the technical expertise, a transformed business process, and an innovative business model (Panwar and Khan, 2020a).

The core solution of these Internet-based services may not be particularly different from the traditional services, but the way it is adopted, accessed, and experienced by the customer is what creates the difference. For example, Swiggy delivers food to the customer’s doorstep, but the core service, the food remains the same. It is not the change in the core offering but rather how easily a customer can access the platform and how pleasant is the overall experience (Panwar, 2020). Often it is the convenience, reliability, and flexibility that these Internet-based services provide to the customer through their service platforms, which are major factors why customers adopt and reuse these apps (Jeon, Kim, and Jeong, 2016).

Despite the emergence of these Internet-based services, a lot of service literature is still founded on the older characteristics defined for services, which may not be relevant anymore. Kohli and Haenlein (2021a) in their recent paper mentioned that a large number of researchers have voiced the concern that much of the current academic research in the area of marketing is not particularly useful. They further presented three possible reasons that lead to this limitation in research. Lack of awareness of the contemporary marketing issues has been highlighted as a critical reason, which in a way resonates with the idea for this paper. Further, Wierenga (2021) expressed that it is a perfect time to contribute to the body of knowledge of marketing and to solve practical marketing problems. He further presented three shifts that would lead the research, and ICT revolution has been highlighted as one of these three shifts. This view also resonates with this paper, as the Internet-based services are a function of the underlying ICT revolution.

Kohli and Haenlein (2021b) made further clarifications in their paper on these thoughts, especially related to the importance of theory and the self-identities of researchers. This was in response to the reflection article by Stremerch (2021), who argued that it is required to funnel more resources from the applied and puzzling science to thought leadership. To do so, a research funnel was proposed
to guide research in the right direction, based on three approaches. This paper is in line with the “embrace residual ambiguity” approach defined in the paper by Stremerch (2021). Thus, the extant literature needs a new set of frameworks and guiding principles that can help Internet-based services achieve more than what they would by the adoption of frameworks and processes that were never made for them. A forced adaptation to these frameworks by Internet-based services is often inefficient, and at worst it can also harm the service brand.

This paper has adopted the systematic review of service marketing literature for finding topics that are discussed in detail, to give a structure to service marketing with an emphasis on marketing mix. Further, on the basis of the thematic literature review, an Internet-based marketing mix is proposed towards the end of the paper. We believe that the Internet-based service marketing framework proposed in this paper would open doors not only for other research on the Internet-based service domain but also for service marketers to invest their resources more efficiently than before.

Further sections of the paper shall deliberate on the topics found during the literature review and on the proposition of the new-age marketing mix. Section 2 discusses the evolution of the Internet-based consumer services, while Section 3 discusses various traditional marketing mix frameworks with their nuances. Section 4 argues about the limitations the existing frameworks have in defining and addressing needs for Internet-based services, while Section 5 introduces and explains SAFE framework in detail. Finally, Section 6 provides conclusions and discussions, while Section 7 presents some limitations and future research.

2. Evolution of the Internet-Based Consumer Services

2.1 Traditional Definitions of Services

Traditionally, services have been defined as deed, act, or performance (Berry, 1980) that brings about a desired and requested change in the condition of a person or possession belonging to a person or entity. Services and products can be differentiated based on tangibility (Levitt, 1981).

The most authoritative definition about services came from Parasuraman et al. (1985), who defined services being different from goods due to inherent characteristics – intangibility, heterogeneity, inseparability, and perishability.

Rao and Ruekert (1994) argued that since a buyer cannot ascertain the quality of a service before purchasing it (unlike in the case of a product), information asymmetry is a peculiar aspect of services which is not necessarily present for products. Thus, engaging with customers in case of service offerings is different from engaging with customers for product offerings. Vargo and Lusch (2004a) added
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a new perspective to service while defining the service-dominant logic (SDL), which emphasized that service is nothing but the application of specific skills on people or their products, and it is co-created with the customer. Further, Vargo and Lusch (2004b) presented a different view about services while contending that the differences between the services and goods must be abandoned and replaced with a strategy of understanding how they are related. In fact, they suggested that service is the common denominator in exchange, with or without goods being involved.

2.2 How Different Are Internet-Based Services Anyway?

Traditionally, the aim of classifying services was to differentiate services from products. However, most classifications did not look at newer channels of service dissemination, including e-channels (Heinonen and Pura, 2006). Meuter et al. (2000) added a classification for service encounters based on the technology interface and its usage. While Internet-based services are ubiquitous now, this is a credible way to differentiate between traditional services and new-age services.

For example, traditional services, such as banks, which had to have a physical presence for providing services to customers, have now transformed into physical plus Internet service platforms. This is to say that services offered by banks are not dependent only upon the physical infrastructure anymore. These functions can very well be performed via the Internet, which would transcend the otherwise prevalent temporal and spatial constraints in service operation.

Does that make a bank like ICICI bank or a retail set-up like D-Mart, which in addition to its physical chain of stores also has an app for customers to order, new-age services? Not really.

We propose that all services can be segmented into four categories based on what the core (enabler) of their business model is. This finds its foundation in the classical segmentation offered by Lovelock (1983) for services.

One classification of services was based on who goes to whom for service, the customer or the service? Internet-based services almost always reach out to the customers, and not the other way around. In the context of this paper, a classification of services, based on the requirement of Internet or connectivity for its functioning, has been identified as the key towards this segregation. Four categories are thus created, which are:

- **Pure-Play Internet Services**: The core of these services is Internet-based functionality, and the service is completely dependent upon this functionality for connecting with customers. Customers cannot access these services without the Internet, and hence there is a critical dependence upon Internet access in order for these services to penetrate the market. These services may or may not have a physical service component in the overall service offering. Netflix users can stream movies and their favourite shows from Netflix, but they need Internet access to
access the services. However, there is no physical component of this service. Uber also has a strong Internet-based functionality, which makes it imperative for its customers to have Internet to access the Uber app and make themselves avail of its services from its app. However, it also has a strong physical contact aspect since once the booking has been made, an actual car and a driver is expected to pick up the customer and take him/her to his/her destination.

– **Internet Plus Services:** These services are similar to pure-play Internet services, but they have extended their access points and reach through physical infrastructure as well. So, while the core of these services remains to be Internet-based functionality, they have branched out to a brick and mortar set-up too. This is done to increase coverage or to simply provide a touch and feel experience to the customers. Since the physical set-up is an additional pillar to their business over and above the core Internet-based access, these services are called Internet plus services. Lenskart started as an online platform for delivering a wide variety of eyewear quickly to their customers. The platform leveraged the technology aspect to learn about user preferences and shopping behaviour to improve its service. But Lenskart then forayed into the physical set-up by opening retail stores all across India.

– **Plus Internet Services:** Traditional service businesses understand the importance of integrating the Internet-based functionalities into their service operations. That is why a substantial number of traditional companies have developed alternatives for their customers (Khalifa and Liu, 2003).

So, customers can continue to buy from traditional channels but also have an option to reach out to an additional Internet-based access point providing them with ease of access and convenience. However, the Internet-based functionalities exist in addition to their core physical set-up for services, i.e. it is just a “plus” on its existing service structure. D-Mart has its core as a chain of physical retail stores across the country. However, to reach out to more people and reduce their cost of operation, they also launched an app for customers to order from. The app in this case is only an addition to the core offline channel.

– **Non-Internet Services:** Given the speed at which technology has caught up with businesses, almost all of the traditional companies in the organized sector have managed to create an online presence. However, a lot of unorganized services are still working without any Internet presence or technological intervention. Local services such as two-wheeler repair service stations, local barbershops, and even unorganized local transportation have kept away from the Internet-based services in their business and have stuck to the traditional format of access and delivery.

As per this paper, “Internet-based services” are those services that have Internet-based capabilities and functionalities for access, delivery, and customer management as their core elements. These services may or may not have a physical brand overarching their service, but they must have Internet-based access as
central to the service operation. In accordance with this definition, the Internet-based services from the above classification are: *Pure-Play Internet Services* and *Internet Plus Services*. Since the other two categories do not have Internet-based capabilities as core or central to access, delivery, and customer management for the service offered, they do not qualify as Internet-based services.

### 2.3 Emergence of Internet-Based Services

Advancement in technology leading to a rise in smartphones, storage mechanisms such as cloud, social platforms, and means to make sense of data analytically through big data and data analytics have transformed services’ organization and their business models (Maglio et al., 2019). More services with digital as their core feature are making their way into the most valued companies in terms of market valuation. A host of researchers have recognized and written on the importance of technology in the delivery of services (Bitner, Brown, and Meuter, 2000). What was once a playground of industrial giants like Exxon and GE’s is now ruled by the likes of Amazon, Google, and Facebook (UNCTAD, 2019).

Internet-based services with technology as their core feature are equipped with the ability to collect, use, and analyse the massive amount of data (Bhave, Jaun, and Roy, 2013) that is collected from the social as well as business digital footprints (UNCTAD, 2019). The social footprint generates tranches of behavioural data that is used in making services stickier and customer friendly while offering superior convenience and personalization as compared to traditional services (Clarke and Flaherty, 2003). So, while traditional personal transportation promises point A to point B commute, Uber added the convenience of calling a cab to home or work. Netflix added local content to cater to its new users, while Zomato showed restaurants in the vicinity, and Spotify gave its customers “Podcasts for you” and “Made for you” features based upon previous content consumption patterns, the common thread in all these services being accessibility driven by Internet technology.

Affordable smartphones, better technological infrastructure leading to improved network connectivity and faster speed (Panwar, 2020), increasing storage ability, and the miniaturization of digital devices (making them comfortable to carry and use) (Sundararajan, 2016) are some of the key enablers that led to the rise of Internet-based services. Global service organizations such as Netflix, Uber, Khan Academy, Coursera, and Trivago, as well as Indian service organizations such as Ola, Byju’s, Zomato, Swiggy, MakeMyTrip, Oyo, etc. owe a lot of their success to these enablers which have accentuated their acceptance and adoption. Finally, the Internet-based services are often designed and developed using processes and frameworks that are based on human-centric model of service design, which renders them easily adoptable as well as highly engaging (Panwar and Khan, 2021).
3. Traditional Marketing Mix Frameworks

In his seminal research on marketing mix, Borden (1964) proposed the idea of Marketing Mix, where a mix of 12 elements was put forward as a mix of ingredients “that provides an ever-ready checklist of areas to consider while dealing with marketing problems”. McCarthy (1964) consolidated the list of 12 ingredients into four and called it the 4Ps – Product, Price, Place, and Promotion. The objective was to turn the marketing planning concept into the practical implementation of the concept (Bennett, 1997). McCarthy (1964) defined marketing mix as a combination of all the factors that a marketing manager has at disposal to satisfy the needs of the target market. This definition was further tuned by McCarthy and Perreault (1987), who defined the marketing mix as controllable variables that an organization can co-ordinate to satisfy its target market.

Kotler and Armstrong (1989) defined the marketing mix as the set of controllable marketing variables that the firm uses to produce the response it wants in the target market. However, several researchers have highlighted flaws in the traditional 4P marketing mix. Early on, Kent (1986) argued that the 4Ps framework given by McCarthy was weak and too simplistic to be applied in a practical scenario. As the criticism of the 4Ps continued, Rafiq and Ahmed (1995) contended that there is a high degree of dissatisfaction with the 4Ps framework in the researcher community. One of the criticisms of the 4Ps framework was that a customer typically experiences the effect of each of the 4Ps individually in different situations (Jain, 2009), and hence an integrated framework which is unable to transcend the theoretical boundary may not be useful unless the organizations take pains to fully integrate their marketing activities internally (Constantinides, 2006). It was also criticized for being overtly production-oriented, which often ignored the customers (Popovic, 2006; Goi, 2009). The inability of the traditional marketing mix to represent service marketing was also brought up because it was derived from manufacturing companies (Shostack, 1977).

The most stringent criticism of the 4Ps framework of marketing mix came from the service marketing researchers. Service marketing is considered to be different from products due to its four inherent characteristics – intangibility, heterogeneity, inseparability, and perishability (Berry, 1984), and the 4Ps framework was argued to be inadequate for service marketing (Shostack, 1977; Goi, 2009). Services required a different and more exhaustive marketing mix framework (Booms and Bitner, 1981a), and hence, appreciating its differences from products, the researchers demonstrated the importance of three more factors that were left out of the 4Ps.

These were: Physical Evidence, People (personnel and customers), and the Process of service delivery. With these additions, Service Marketing Mix (Extended Marketing Mix) was brought to the fore with focus on services. However, despite general support for the 7Ps mix, the new variables added have not been accepted as
is by most researchers. The physical evidence variable is the least accepted one and is often blamed for the lack of conceptualization (Rafiq and Ahmed, 1995). More recently, Moller (2006) questioned the relevance of the basic premise on which the marketing mix is built, especially in the contemporary context. She further argued that the evolution of marketing mix into something relevant for the current practitioners is critical, and research scholars must put their hat in the game to accept and discover the most relevant foundation of the influencer but traditional marketing mix. Service marketing and electronics marketing, which is based on the Internet as a medium, are cited as areas where the marketing mix seems to be lacking the real application (Constantinides, 2006). This has been further reinforced by two key weaknesses of the traditional mix, its internal orientation and the missing case on personalization. Both of these weaknesses are critical from the current new-age services point of view. These views were also echoed in more recent literature too albeit with different perspectives (Martin, 2009; Bruin-Reynolds, Roberts-Lombard, and Meyer, 2015; Londhe, 2014).

4. Limitation of Existing Marketing Mix Frameworks for Internet-Based Services

Internet-based services have a different process and value landscape as compared to traditional products and services. These services are based on the promise of offering convenience, flexibility, and control to customers. They have unconventional business models, innovative payment structure, high and constant engagement with customers, the concept of value co-creation, and all of this bundled in a technology package (Panwar and Khan, 2020a). The solution offering of the Internet-based service is not just the core product or service but also the ease of access and simplified process adding value to the customers while also empowering them in the process. In the case of Internet-based services, the service is not a single offering but a set of primary and tertiary benefits offered to customers. For example, the food aggregator Zomato does not necessarily offer a different end product, i.e. food, but it offers ease of access to an ordering while providing an exhaustive menu. The food is also guaranteed to reach the customer within 30-45 minutes.

Customers also have access to the rating system on the app, which creates trust among the customers. Customers are delivered food prepared by their restaurant partners through delivery partners. So, what was the product or service here? It is a combination of food, ease of access, convenience, trust, speed, and choices. It is not any one but all of them together. Similarly, the “place” variable under the marketing mix is not a different variable anymore. The ease of access provided by the Internet-based service through its platform or omni-channel set-up itself is the offering.
The “promotion” element under the traditional marketing mix is often explained as being the communication pillar. Goi (2011) argued that promotion is a vital part of a business and is an integral ingredient of the overall marketing process.

Traditionally, communication was considered important as it helped disseminate information to the target audience to persuade them about the offering (Kumar and Patra, 2017). However, the boundary for “promotion” in the marketing mix is too restrictive for the Internet-based services. Customers of Internet-based services are technology natives and communicate on multiple platforms with multiple services. Due to this exposure, their involvement in the services and propensity to react to a specific service experience is high. Add to that the personalization that the customers expect in the communications that the brand is directing to them.

With multiple customer-to-customer platforms, the company’s service quality expectation is as much created by its explicit communication, which is controllable, as it is by the external factors such as e-WOM (electronic word of mouth), which is uncontrollable. The traditional “promotion” element is also restrictive in explaining the social cause effect on the young customers who find social causes powerful and important (Schaeffer, 2019). These are implicit signals which a service provider relays to the customers as part of its communication.

These consumers have been described as existential, less responsive to traditional marketing stimuli, and less sensitive to brands and marketing cues (Constantinides, 2006). Similarly, the “process” variable is not separate for these consumers. A process that reflects convenience is the part of a service offering in itself. For instance, consumer convenience has been given insufficient attention in services and is often bundled for services and goods together into an overall convenience construct (Berry, Seiders, Grewal, and Dhruv, 2002) even when it is a component of service quality perception.

This in itself is a result of overall service experience (Chang, Chen, Pang, Chen, and Yene, 2013). As mentioned earlier, “Physical evidence” has not been accepted unanimously as the seventh “P” of the extended marketing mix. With Internet-based services, the physical evidence is not as distinct and isolated as it was in traditional services such as bank branches or classrooms. Physical evidence is either minimal or tightly integrated with the service itself. “People” has been identified as one of the most important variables of the service marketing mix by multiple researchers (Bettencourt and Gwinner, 1996; Zomerdijk and Voss, 2010).

However, in the case of Internet-based services, frontline workers or people, for example, delivery partners for Swiggy or driving partners of Uber, are part of the service offering itself. The partner rating system has integrated these partners into the overall service offering.

So, these partners are not just the ones who provide the service, but they are the service. Today’s services are hence a bundle of offerings, including,
but not limited to, core products. One of the important variables of marketing mix frameworks has been “price” at which the product or service is offered to the customer. Internet-based services usually have a complex pricing structure that is used to attract customers. The pricing structure implemented by these services is often different from traditional services’ pricing structure, which is based on traditional models like “cost-plus”. Internet-based services have more complex decisions to make on pricing than the traditional service’s singularly focused questions – “At what price should I sell to make enough profit?” (Evans and Schmalensee, 2016).

These could be related to value definition, partner pricing, bundling, etc. The influence of price perception on consumer behaviour (Liao, Tsou, and Shu, 2008) makes such divergences critical to be analysed differently than the traditional services. Traditional marketing mix frameworks are restricted to pricing and its attributes such as discounts, credit limit, payment timeline, etc. Internet-based services need a more nuanced discussion on the payment structures and their connection with pre-defined marketing objectives.

The global wave of the rise of individualism over collectivism has also played its part. The influence of family or other types of reference groups on the new consumer’s behaviour is changing or diminishing (Christopher, 1989). Additionally, the knowledge and sophistication of customers are also increasing due to the easy availability of information online, which makes the new-age consumer quite discerning. Customers appreciate a direct dialogue with the companies and brands, seeing one-sided communication as useless and often frustrating. Also, Internet-based services need to be available for customers at various platforms and at all times.

Traditional mass-market approaches, including the marketing mix frameworks, have to be questioned for their relevance for the Internet-based services (Constantinides, 2006). While the traditional service marketing mix framework falls short of appreciating the above factors, the definition of what a marketing mix framework should do remains the same. It continues to be a set of controllable marketing variables available with a firm to work upon and satisfy its target market needs (Kotler and Armstrong, 1989).

We have argued in this section that there exist knowledge gaps as well as a theoretical gap in the subject matter for the Internet-based service, as far as the marketing mix framework for the Internet-based services is concerned. With the help of a comprehensive literature review on the origins, adoption, limitations, and expectations of marketing mix frameworks, we now propose a marketing mix framework that can address the challenges manifested by Internet-based services. The framework encompasses the key controllable variables that an Internet-based service business has at its disposal to meet its marketing objectives.
5. SAFE – A Marketing Mix Framework for the Internet-Based Services

In this section, we propose a conceptual framework, SAFE, as a marketing mix framework specific to Internet-based services, as depicted in Figure 1. The SAFE framework is based on a holistic approach that incorporates the internal business and external service-scape aspects of Internet-based services. Thus, it transcends the traditional boundaries set for such a framework and allows the marketing function to be managed as a more holistic management function. However, the end result and application objectives of the framework lay centrally in the marketing domain with customers as the core. The model is based on a foundation that answers the below questions:

- What is on offer to satisfy customer needs?
- What core superiority does the organization possess internally over its competitors?
- How does the firm reduce friction towards adoption and payment for its services?
- How does the organization engage with its customers during their customer journey?

With these questions, SAFE lays down the foundation of a 360-degree framework that touches all aspects of an Internet-based service from the service point of view.

The SAFE framework stands on the following pillars and their underlying constructs (elements) that businesses should manage to achieve their marketing objectives:

![Figure 1. SAFE Model for Internet-based Services](image)
Solution

Customers look at brands and organizations to solve their problems or satisfy an unmet need. Brands in turn create and offer services that would encourage the customers to access and acquire the service. However, seldom is service experience a factor of the core service offering only. A service experience is the sum total of all experiences that the customer had while accessing and acquiring a service. Solution hence should not be looked at with the narrow view of the service offering, which seems to be the single deed or performance but in reality is a spectrum of aspects associated with the solution. Internet-based services have a large number of parameters under the “Solution” umbrella, as depicted in Figure 2. These are: Core Offering, Customization, Partners, Phygital Integration, Ease of Access, and Efficiency.

Figure 2. “Solution” pillar of the SAFE framework

**Core Offering** – The most easily identifiable element under “Solution” is the core solution that the firm provides to its customers. Firms that have a solution that is best suited for solving the given customer’s problem, with an appropriate level of standardization as well as required customization, is appreciated by the customers. Core offering is also the one that defines the outcome quality of the service experience that the customer ends up having in the service set-up. While there are peripheries of other elements that define service experience, the core offering remains to be the most critical one.

**Customization** – It often leads to a positive evaluation of service by the customer if it is relevant and the customer is involved in the process (Mugge, Brunel, and
Schoormans, 2012). Customization can create short-term as well as long-term preference for the brand if the customers find the customization relevant and impactful (Coelho and Henseler, 2012).

**Phygital Integration** – The core solution offered by some new-age services is also about the integration of the physical and digital parts of the service. Phygital (physical + digital) refers to a blend of physical and digital aspects of services that cover the access as well as delivery of a service. Lenskart’s physical stores, which were an extension from its online setup, helped customers not just as a new access point but also to double up as a physical store that conveyed the brand offering and promise more visually. The eye-testing facility acted as an additional service to the otherwise simplistic eyewear delivery business. Nykaaa.com did the same with its new offline stores doubling up as experience stores to enhance the overall service experience with the brand touchpoints. As mentioned, these stores are as much part of the solution as is the delivery of the product or service.

**Efficiency** – It is at play in Internet-based services in two scenarios. First, when it is about the efficient use of resources that a firm possesses. Such efficiency allows the service firm to improve its cost-revenue equation, thus leading to higher profitability (Zanakis, Mandakovic, Gupta, Sahay, and Hong, 1995; Gerrard, 2005). The second application of efficiency is in the service delivery aspect, where efficiency in service operation is closely tied to marketing objectives such as customer satisfaction, brand preference, brand loyalty, and profitability.

This has been discussed for Internet-based service companies such as Airbnb and Uber (Oral and Yolalan, 1990; Edelman and Geradin, 2016; Cramer and Krueger, 2016). Service delivery efficiency also includes “access efficiency”, which has to do with the app launch parameters such as launch time and launch features. One reason for people preferring apps for service access instead of a website is the time it takes to launch a service on the phone.

Datta and Kajanan (2013) argued that time taken by an app service to launch on a phone has an impact on how easily the app can penetrate in its target audience and how fast the adoption is. Efficient service delivery thus plays a critical role in the positive perception of a solution.

**Ease of Access** – It has helped services penetrate better in the markets with high acceptability and adoption rate. The solution thus is not just the service but also the ease with which the service is accessed. The personal credit category has exploded in recent times, and while the interest rate is no more a differentiating factor, the solution is not just a loan anymore. The solution is the ease (Indian Express, 2020) and the speed with which a loan can be secured. Thus, ease offered by a platform to access service is critical for the customers.
So, Byju’s has been able to reach 50 million users, out of which 3.5 million paid users, not only because it has great content but also because it is easy for users to access the application (Rawat, 2020). The platform is both what is called frictionless and sticky. So, for example, Byju’s free “Live Classes” hosted on its platform are not only lapped up for its content worthiness but also because the platform can be accessed and navigated through easily (Mitter, 2020).

**Partners** – The solution is also about service workers. This is different from the “people” aspect of the extended marketing mix because the “people” variable was isolated from the “product” variable. In Internet-based services, the service worker is as much a solution as the offered service.

For example, for the same pick-up and drop service which will be offered by Uber, it is not uncommon for customers to cancel a ride which had a driving partner with a poor rating (Mahapatra and Telukoti, 2018; Rutkin, 2016). Frontline employees have long been argued to be drivers leading to customer loyalty and have a strong role in creating customer loyalty towards the service firm (Bettencourt and Gwinner, 1996). Also since the service employee’s part is the manual aspect of service, it is often during this interaction that the service customization can happen fairly easily (Gwinner, Bitner, Brown, and Kumar, 2005). Employees and partners must be empowered to add customization in the service as per their judgment to delight customers.

Merchants who accept the Paytm wallet for payment are part of this service-scape. So, a customer can pay by Paytm for the milk or groceries or even at a salon. For a customer, it is important to have a wide variety of merchants who would accept Paytm in order for him/her to see reasons for having a Paytm account him-/herself. Similarly, more merchants will only be interested in facilitating payments from Paytm when many customers would want to use that. These are known as network effects, as explained by Evans and Schmalensee (2016).

**Advantage**

The sweeping rise of Internet-based services means that having a natural advantage through certain core competencies is critical for differentiation against the competition. Aaker (1989) argued that competitive advantage is an outcome of the bases of competition, which are assets and skills that the firm possesses. In the case of new-age services, Advantage is based on Resources, Asset ownership, Skills, and Experience, as depicted in Figure 3.

**Resources** – Access to superior resources that are critical to business play a differentiating role for an Internet-based service. For example, access to easy and inexpensive funds (Gill, 2019), technological excellence (BGR, 2018), a vast integrated network of multiple products and services (Robischon, 2017), or even access to
huge tranches of data (Rodriguez, 2020) are some of the resources that could be very helpful for Internet-based services to exercise superiority over the competition.

Figure 3. “Advantage” pillar of the SAFE framework

**Asset Ownership** – It is the firm’s business model that determines the nature of these assets and their ownership. For example, a firm can decide to adopt an asset-light mode like Uber where it does not own any fixed high-value assets. On the other hand, firms may also opt for owning the inventory of the product that they sell, for example, Lenskart. Some other firms opt for a hybrid model where they own part inventory only, such as Nykaa.com. Often the choice of owning an asset is driven by cost rationale or when the service provider believes that it can offer more efficient services with or without the ownership of those services.

For example, while Byju’s owns its content, Oyo simply acquires the maintenance right of part of the hotel to keep the costs low and still offer efficient services. The advantage is exploited by firms in a way that would help them be differentiated from their competitors. For example, content ownership of online streaming platforms has become a differentiating resource for platforms, and the success of an online video streaming platform depends upon the pipeline of the content that it can own or create in the future. The online streaming platform war can simply be called content ownership war because that is what would decide the winner (Statt, 2019).

**Skills** – Barney (1991) argued that the advantage that a firm holds due to a resource or asset need not be a permanent one if the resource is not valuable, rare, inimitable, and organized. So, the mere availability of a resource of advantage is not enough, but its being valuable, rare, and inimitable is important. Likewise, the firm being organized or capable enough to exploit this source effectively also plays a crucial role. Hence, the presence of skills in an organization, which can be used to extract advantage from the available resources, is equally important.
Experience — However, it may happen that despite the availability of resources and requisite skills the service firm is unable to create any sort of advantage. This may be because there has not been any precedent for the firm to follow and implement. Thus, experience to turn these sources and positions of advantage into a real advantage over competitors is critical.

Finally, the advantage accumulated by firms by choosing to control certain assets can go a long way in achieving its marketing objectives. With the cost or differentiation advantage achieved due to asset ownership decisions, firms can then follow one or more goals such as market penetration, market dominance, low-cost leadership, or higher profitability.

Financials

It is often argued that firms must take aggressive financial decisions, including that of pricing strategies, since customer’s decision to patronize a service is a factor of the price of the service (He, Cheng, Dong, and Wang, 2016). For Internet-based services, the pricing strategy is not based on a simple exchange of possession (service effort with money) but is made more complex with various uncommon pricing objectives.

These are driven by market penetration constraints due to the novel nature of services and lack of trust in these services by the customers because of a lack of human touch and missing visual identity. To overcome this handicap, Internet-based services often adopt novel pricing structures and techniques to win customer trust, for example: Customized pricing, “Buying” customers, Demand- and supply-side pricing, and Dynamic pricing, as depicted in Figure 4.

Figure 4. “Financials” pillar of the SAFE framework
**Customized Pricing** – Pricing strategies and pricing structures for Internet-based services aim at establishing an optimum price for services with novel payment conditions where the end-goal is seldom the profit maximization, unlike with most traditional services and products (Dolgui and Proth, 2010).

Some of the Internet-based pricing techniques to instil confidence in customers are freemium and subscription-based pricing. This means offering services to customers at a lower price for a limited time or for free for a limited period (usually for a month) or by reducing the commitment level required from the customer for acquiring the service (subscription-based).

**Buying Customers** – Customers are often “bought” by offering them a monetary benefit (cash back or coupon) for adopting the service and using it (usually done by payment wallets like Paytm and Google Pay). Additionally, once the consumer is on board, these services try to enhance the relationship by offering a price that would be acceptable for the individual customer.

The prospect theory suggests that once customers have agreed to spend a certain amount of money, getting them to spend more is much easier than one would think (Shoemaker, 2003). Yearly packages for service users are offered to existing customers to ensure customer retention as well as a stable revenue stream for the service provider. Zomato Gold is one such service where patrons are offered special prices and packages at partner restaurants. The service is valid for one year after buying the “Zomato Gold” scheme (Sengupta, 2019).

**Dynamic Pricing** – Internet-based services also try to create a free marketing pricing-scape for its services through dynamic pricing by leaving the pricing to the market supply-demand dynamics. For example, through “rush-hour pricing” or “surge pricing”, Uber offers its customers different prices at different hours of the day depending upon the demand-supply equation. This not only allows the customer to take advantage of lower demand by accessing services at a lower price but also allows the firm to take advantage of higher demand, thus crafting a win-win strategy for both. Castillo et al. (2017) contended that surge pricing can prevent demand-/supply-constrained service markets like the cab-hailing service market from crippling.

**Multi-Sided Platform Pricing** – As another aspect of pricing strategies, multi-sided platforms (MSPs) are specific of Internet-based services, as highlighted by Evans and Schmalensee (2016). MSPs are service platforms that bring together two sets of customers on board.

On the one hand, there are the demand-side customers, that is, people who need a service, and, on the other, the supply-side customers, i.e. people who want to sell their services. For example, restaurants are the supply-side customers for Zomato, while the patrons who order food are the demand-side customers. MSPs
follow different financial models, wherein they have to balance the two sides of customers through the right pricing.

Hagiu (2015) argued that MSPs have to offer their services either for free or at a subsidized price to at least one side of the platform (loss leader side) and derive their profits on the other side (profit-making side). For example, payment systems, such as VISA, that have merchants on one side of the platform and customers on the other choose to subsidize the customers, making them the loss leader side. In turn, they make a profit from the merchants, making them the profit-making side (Evans and Schmalensee, 2016). The same is also true for social media platforms where the platform does not charge the customer, making the service free for the customers, while making money from the advertisers who show their ads to these customers on the platforms – for example, Facebook.

**Engagement**

The Internet has democratized access to information and knowledge. This means that customers who are looking to acquire a service are already exposed to a great deal of information and are not necessarily dependent upon communication from the service provider to know more about the service. Also, customers and target audiences of new-age services are usually people from the Gen. Y and Gen. Z age groups, who have a higher propensity for dialogue instead of a one-way messaging which was a traditional form of communication. Internet-based services have access to the following elements of the “Engagement” pillar to enhance positive engagement with the customers: C-2-C communication, Personalized conversations, Social-cause-based engagement, Social listening, and Rewards and recognitions, as depicted in Figure 5.

![Figure 5. “Engagement” pillar of the SAFE framework](image-url)
**C-2-C Communication** – Customers are talking to other customers as well as potential customers about the services, with service providers missing from the conversation. There are a host of platforms available to customers to talk about service before, during, or after using it – for example, social media platforms, review websites, and other web forums. Service firms must encourage such customer-to-customer conversations and add value to them wherever they can.

This makes it imperative for the service providers to engage customers on all possible platforms to forge a positive relationship. These customers would in turn spread positive word of mouth about the service on all platforms they engage on, irrespective of the presence of the service provider on these.

**Personalized Conversation** – Personalization is a critical part of engagement for Internet-based services. Customers of these services are hardly moved by communication tone, ideas, and messages that are not specific or relevant to them. These services must attempt to personalize communication with the help of insights they have about their customers. Goldsmith (1999) argued that personalization has to be part of the new marketing design process for all organizations. By opening a dialogue with customers, service providers can engage with their target audience better, which can also lead to unearthing useful information about consumer needs to help in developing newer products and services (Goldsmith, 1999).

Marketers must be able to identify the right medium and message to reach out to this customer cohort. Traditionally, when the objective of the “Promotion” element was to communicate, these details were often overlooked. Social media sites have become an important part of “millennial” life. Social media is instrumental in assisting consumers in making decisions about what product to buy, when to buy, and where to buy (Weigand, 2009). Internet-based services are modelled to engage with customers and also encourage them to share their experiences and advocate these services. This also manages the trust aspect, as potential customers are more trusting of reviews and endorsement by fellow customers than marketing communication by the service provider itself.

**Rewards and Recognition** – Khan Academy offers rewards to its users upon solving certain questions or groups of questions (Zellner, 2015). Similar patterns are observed across most new-age services. The associated reward function here is the ability to share these certificates online with your friends and peer, which makes it lucrative for people (Panwar and Khan, 2020a).

While rewards and recognitions have been known to motivate customers for one-time as well as repeat purchase, the large-scale imitation of this strategy by a lot of organizations has diluted the efficacy of such rewards and recognition (Sällberg, 2010).
**Social Listening** – As a communication strategy, it is important for Internet-based services. This is because a majority of their customers are active on social media due to the presence of a major chunk of target audience on social media, and they often discuss about brands within their relationship networks on social media (Panwar and Khan, 2020b).

Organizations must equip themselves with various skills to be part of these customer conversations and make them more effective and engaging. Stewart and Arnold (2016) defined social listening as “an active process of attending to, observing, interpreting, and responding to a variety of stimuli”. Crawford (2009) argued that social listening is not a stand-alone strategy but an embedded part of the overall communication strategy. These services must encourage conversations about the service and its strengths.

**Social Cause Association** – It can play a critical role in creating higher engagement between service providers and customers. This is especially true for customers of Internet-based services, which happen to be Internet natives, i.e. millennials and members of Gen Z. These customers do not hide their inclination towards a particular social cause and often judge organizations based on their stance on a specific social cause (Schaeffer, 2019). Thus, engagement created around a social cause is a strong non-service source for the association that a customer can have with the service provider.

6. Conclusions and Discussion

The marketing mix has been a key element in the overall marketing strategy for any firm for decades. It acts as a direction as well as a framework for firms to achieve their marketing objectives. As the business landscape has changed over the decades, led by the change in consumer behaviour and expectations, the marketing mix has evolved too. From the 12-element marketing mix offered by Borden (1964) to the 4Ps of marketing mix postulated by McCarthy (1964) and the extended service marketing mix given by Booms and Bitner (1981a), the marketing mix framework has evolved together with the evolution of the product and services. These frameworks have had their share of criticism from researchers, especially from the service domain (Vargo and Lusch, 2004a; Constantinides, 2006; Jain, 2009; Popovic, 2006), who argued that the overt product inclination of marketing mix lays bare its inadequacy to handle services.

The advent of the Internet saw a wave of Internet-based services that were operated and delivered with Internet and technology at their core. The evolution of these services further strengthens the need to build marketing frameworks, including the marketing mix, which can handle the services more efficiently. The
SAFE framework proposed in this paper takes into consideration the changing nature of services and consumer expectations, specific to the new-age services as defined in this paper. Internet-based services are based on the promise of offering convenience, flexibility, and control to customers. They have unconventional business models, innovative payment structure, constant engagement with customers, and a concept of value co-creation with customers. The overall package is delivered through a strong core of Internet-based functionality. In this paper, Internet-based services have been defined as services accessed via the Internet and that may have a physical presence only as a secondary platform.

It must, however, be noted that SAFE does not attempt to change the core objective of the marketing mix. SAFE is positioned as a marketing mix framework aimed to help service managers with controllable elements within the organization, specifically for the Internet-based services. Thus, the framework can extend support to service firms in achieving their pre-defined marketing objectives. SAFE defines four pillars that service organizations can work on to achieve their marketing objectives. These are: Solution, Advantages, Financials, and Engagement. The “Solution” aspect of SAFE looks at solution as a spectrum of offerings and not just the core service. Hence, it touches upon aspects such as customization, partners, ease of access, efficiency, and phygital (physical and digital) integration, with the core offering as one of the elements of the overall solution. “Advantage” looks at four elements that are manageable from the organization’s point of view and can hand over an advantage to the organization if managed efficiently. These are resources, assets, skills, and experience. Hence, managers must remain true to the value offering of Internet-based services, not just in ensuring convenience yet efficiency but also in striving to develop their own assets and skills in doing that.

Internet-based services have very complex pricing structures, which they use to attract customers, build a customer base, and reach as many people as possible. Customized pricing, customer acquisition with the help of upfront benefits, demand- and supply-side pricing decisions in case of multi-platforms in these services, and dynamic pricing are key tenets of the third pillar of SAFE, “Financials”. The fourth pillar, “Engagement”, is defined under SAFE as a set of engagement strategies that the service organization can adopt for building a long-term association with the customers. Some of these strategies, such as C2C and personalized communication, social listening, and rewards and recognition, are proven to have an enduring effect on the target group.

Thus, while SAFE offers a guiding framework for services in its marketing mix for new-age services, it also offers an exhaustive list of elements under each of the pillars of the SAFE framework for service managers. It must, however, be noted that a strategy is as good as its implementation. So, while SAFE provides an excellent framework for marketing mix for Internet-based services, if the structure and capabilities to use these elements to the firm’s advantage are not present, it will not lead to desired results.
7. Limitations and Scope for Future Research

This paper has certain limitations that are important to highlight for the readers’ benefit. This research is purely conceptual in nature, which is based on an exhaustive literature review of a range of studies available within the service marketing literature, which spans several decades. However, the proposed model has not been tested empirically, and no primary research was conducted for this research. Thus, as a future scope of work of this paper, the relevance of the SAFE framework must be proved with the help of empirical research. Further, it would be worthwhile to see the application of the framework on different Internet-based services in order to measure divergences, if any, within them upon the adoption of this framework. Finally, this research paper is expected to spur further academic research on the lines of evolution of existing marketing frameworks, which need a relook in terms of their relevance, efficacy, and applicability in the real world.

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