

The Marketing Mix



B Com Computer Application

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Course Title: MARKETING MANAGEMENT

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MARKETING MIX

Marketing Mix

- While marketing their products firms used to create a successful mix of – the right product, sold at the right price, in the right place, using the most suitable promotion mix. To attain success in the marketing effort, the various elements of marketing should be coordinated. The various components and instruments used in the marketing process constitute the marketing mix. In other words marketing mix constitute the elements of marketing.
- **According to Stanton “Marketing mix is the term used to describe the combination of the four inputs which constitute the core of a company’s marketing system- the product, the price structure, the promotional activities and the distribution system.” Thus marketing mix consist of four elements mixed in such a way to suit the enterprise objectives.**

Definition.....

- ***The set of controllable tactical marketing tools – product, price, place and promotion – that the firm blends to produce the response it wants in the target market. By Philip Kotler and Gray Armstrong, 8th Edition***

Marketing Mix

- The **marketing mix** refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market. The 4Ps make up a typical marketing mix - Price, Product, Promotion and Place. However, nowadays, the marketing mix increasingly includes several other Ps like Packaging, Positioning, People and even Politics as vital mix elements.



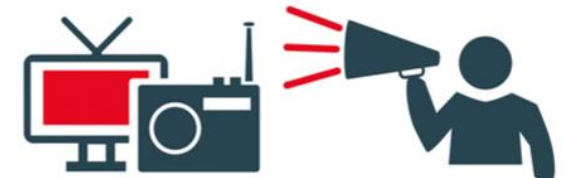
PRODUCT



PRICE



PLACE



PROMOTION

Elements of Marketing Mix -4P's

The different marketing activities are categorized by **McCarthy** into marketing mix tools, of four types, which are commonly known as '*four Ps of marketing*'. The **product, price, place and promotion are the traditional elements of marketing mix**. In addition to the 4ps, two more elements are now added, namely, pace and politics.

- **Product:** it is the first element. A product is something a firm offers to give satisfaction to consumers. It is the final output of a production process. Product is the most powerful weapon in marketing. A firm may offer a single product or several products. Product means the goods-services combination the company offers to the target market(Philip Kotler and Gray Armstrong, 8th Edition)
- **A product is anything that is offered to a market to stratify the wants and needs of a target group of people. The product may be tangible or intangible, services, organizations and places.**
- It refers to the item actually being sold. The product must deliver a minimum level of performance; otherwise even the best work on the other elements of the marketing mix won't do any good.

2. Price

- ***Price is the amount of money customers have to pay to obtain the product(Philip and Armstrong).***
- *Price:* refers to the value that is put for a product. It depends on costs of production, segment targeted, ability of the market to pay, supply - demand and a host of other direct and indirect factors. There can be several types of pricing strategies, each tied in with an overall business plan. Pricing can also be used a demarcation, to differentiate and enhance the image of a product.
- Having made decisions about products, the marketer needs to decide how to price them. Price is the amount of money asked in exchange for the product. It must be reasonable so as to enable the consumers to purchase the product. While fixing the price of a product, the management should consider factors such as cost, ability of the consumers, competition, margin of profit etc. Price is what you pay and value is what you get.

3. PLACE

Place: Place is defined as the location where a firm expects to find its customers and consequently, where the sale is carried out. It is the area or location of the consumers and not the place of the business. Place in marketing is also known as physical distribution or channel of distribution or intermediary. A firm has to understand the place of the consumers and choose adequate distribution network or channel to reach that place. For large-scale distribution, the services of wholesalers, retailers and other marketing intermediaries are required. A firm has to choose a channel which is convenient, economical and suitable for the distribution of a specific product.

Place: refers to the point of sale. In every industry, catching the eye of the consumer and making it easy for her to buy it is the main aim of a good distribution or 'place' strategy. Retailers pay a premium for the right location. In fact, the mantra of a successful retail business is 'location, location, location'.

4. Promotion:-

- Promotion is the communication link between the firm and the consumer. Promotional measures are necessary to inform the consumers about a product and its features. Promotion consists of all activities aimed at inducing and motivating customers to buy the product.
- According to Stanton, “promotion encompasses all the tools in the marketing mix whose major role is persuasive communication.” Advertising, personal selling, sales promotional programs and publicity are the major promotional tools.
- *Promotion*: this refers to all the activities undertaken to make the product or service known to the user and trade. This can include advertising, word of mouth, press reports, incentives, commissions and awards to the trade. It can also include consumer schemes, direct marketing, contests and prizes.

From the seller's point of view, these 4p's are designed to deliver customer benefit. However these 4 p's correspond to the customer's 4 C's as given below:



4 P's



Product



Price



Place



Promotion

4 C's

Customer needs and wants

Cost to the customer

Convenience

Communication

4 C's- The 4 Cs of marketing mix is a business tool which was developed by Robert F. Lauterborn in 1990. The 4 Cs model is a consumer-oriented due to its focus on consumers. Following are the components of 4 C's.

- **Consumer.** In this marketing approach, the company focus is consumer oriented rather than product oriented. The marketers should focus on consumers' needs and wants to provide high value.
- **Cost.** Cost evaluate the amount of money a customer is willing to exchange for satisfaction. If think about consumer perspective the price becomes the cost.
- **Convenience.** The marketers offer the product should easily be available to the customers and consumers. Convenience means strategically place the product on many sales points.
- **Communication.** It is the last element of 4 Cs marketing mix. While using this approach marketers don't promote but communicate the value they offer to the customers.
- Marketers can use 4Ps, 7Ps or 4Cs of marketing mix and it greatly influences the marketing plan.



Other P's are

- **Pace:** Pace means the speed with which the products arrive in the market. The products must be brought in the market in the appropriate time. For example, umbrellas must be made available in the market little ahead of the monsoon.
- **Politics:** Politics refers to the policy of the political Government. Government formulates and executes a number of policies like licensing policies, taxation policies, price policies, exim policy, monetary policy, industrial policy etc.
- All the above P's are to be blended in such a way as to produce larger share of the sales and profit.

The extended marketing mix (7P's)-Service marketing mix

- The extended marketing mix (7P's) is the combination of seven elements of marketing that aim to work together to achieve the objectives of a marketing strategy. These 7 elements are: product; price; place; promotion; people; process and physical.
- **People:** the people who make contact with customers in delivering the product
- **Process:** the systems and processes that deliver a product to a customer
- **Physical:** the elements of the physical environment the customer experiences
- A key implication of an extended marketing mix is that the seven elements need to work even closer together for marketing to be effective



Importance of Marketing Mix (Benefits)

- The concept of marketing mix is the foundation of modern marketing management. The concept is important on account of the following reasons:
- **It provides a valuable guide for resource allocation:** The decision of allocating financial and human resources is dependent on the concept of marketing mix. Since these resources are limited and precious, they should be used in the most judicious manner.
- **It helps to allocate the responsibilities:** The challenging job of marketing is the result of a team work. It means the responsibilities are to be allocated to the members of the marketing team.
- **Facilitates communication:** Communication is an essential part of marketing mix. Through promotional activities, the firm should inform customers about its products.
- **It helps in goal achievement:** The goal of the business may be profit maximization. It can be achieved by combining the elements of marketing in proper proportion.
- **Promotes customer satisfaction:** A properly designed marketing mix can help in delivering maximum satisfaction to the customers by fulfilling the needs and wants of customers.

Marketing Process

- Marketing is a systematic process involving sequential and distinct stages.
- **Market analysis:** This is the first stage in marketing process. A detailed analysis of the market conditions such as customer needs and wants, level of competition, existing products, market regulations, demand and supply conditions etc. are conducted.
- **Formulation of marketing strategy:** Strategy refers to a plan of action aimed at achieving the desired goal. After identifying the various opportunities in the market, the next step is formulation of adequate marketing strategies to select the target market.
- **Decision regarding mix:** (product, price, place and promotion): In this phase, serious decisions are taken regarding the type of product, its price, distribution channels and the promotional tools.
- **Implementation and control:** The product is launched. The firm is required to closely monitor the movement of the product in the market. It will help the firm to know the deficiencies of the product, price, distribution network and promotional tools and take adequate steps to correct the deficiencies.
- **Evaluation of customer response:** After selling the product there is need for evaluating customer response. This will enable the marketer to change themselves as per the requirements of the customers.



References



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