

The Marketing Mix

PRICE

PLACE

PROMOTION

7 'P's
MARKETING
MIX

PROCESS

PHYSICAL
EVIDENCE

PRODUCT

PEOPLE

50 WEEKS OF MARKETING

WEEK 2

BYB MARKETING – BRAND YOURSELF BETTER.

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The Marketing Mix

The marketing mix framework has been the preferred and dominant marketing model, since it was introduced around 60 years ago. It was THE FIRST marketing model that all us marketers learnt in marketing 101 classes. It became treated as the unchallenged basic model of marketing, overshadowing other theories and approaches. The Marketing Mix has also played a key role in the evolution of the marketing management.

Last week we discussed branding, and how companies create a brand identity to express its unique personality. The marketing mix used to create this brand identity. Marketing influences how a brand is perceived. Companies use the marketing mix to increase the value of their brand.

***The strength of the model is its simplicity –
categorising the fundamentals of marketing, as a
reference point for applying marketing to a business.***

What is the marketing mix?

The marketing mix is a list of the essential elements that make up the foundation of a company's marketing strategy. **The mix helps marketers to often evaluate and re-evaluate brand activities.** As customer needs rapidly change, brands should often revisit their marketing mix, to see if they are targeting today's marketplace.

The marketing mix was a concept popularised by Neil Borden in the 1980s. Borden remarks that “The quest for a science of marketing is hard upon us”. He wanted to create a practical toolkit to help marketers to be objective, and to bring understanding of what marketing is.

Borden names twelve controllable marketing elements that he believed if responsibly managed, would result to a “profitable business operation”.

Elements of the Marketing Mix of Manufacturers - Borden, 1984

Policies and procedures relating to:

1. <i>Product Planning</i>	<ul style="list-style-type: none">a) Product lines to be offered—qualities, design, etc.b) Markets to sell whom, where, when, and in what quantity.c) New product policy—research and development program.
2. <i>Pricing</i>	<ul style="list-style-type: none">a) Price level to adopt.b) Specific prices to adopt (odd-even, etc.).c) Price policy, e.g., one-price or varying price, price maintenance, use of list prices, etc.d) Margins to adopt—for company; for the trade.
3. <i>Branding</i>	<ul style="list-style-type: none">a) Selection of trademarks.b) Brand policy—individualized or family brand.c) Sale under private label or unbranded.
4. <i>Channels of Distribution</i>	<ul style="list-style-type: none">a) Channels to use between plant and consumer.b) Degree of selectivity among wholesalers and retailers.c) Efforts to gain cooperation of the trade.
5. <i>Personal Selling</i>	<ul style="list-style-type: none">a) Burden to be placed on personal selling and the methods to be employed in:<ul style="list-style-type: none">1. Manufacturer's organization.2. Wholesale segment of the trade.3. Retail segment of the trade.

6. Advertising	<p>a) Amount to spend—i.e., the burden to be placed on advertising.</p> <p>b) Copy platform to adopt:</p> <ol style="list-style-type: none"> 1. Product image desired. 2. Corporate image desired. <p>c) Mix of advertising: to the trade; through the trade; to consumers.</p>
7. Promotions	<p>a) Burden to place on special selling plans or devices directed at or through the trade.</p> <p>b) Form of these devices for consumer promotions, for trade promotions.</p>
8. Packaging	<p>a) Formulation of package and label.</p>
9. Display	<p>a) Burden to be put on display to help effect sale.</p> <p>b) Methods to adopt to secure display.</p>
10. Servicing	<p>a) Providing service needed.</p>
11. Physical Handling	<p>a) Warehousing.</p> <p>b) Transportation.</p> <p>c) Inventories.</p>
12. Fact Finding and Analysis	<p>a) Securing, analysis, and use of facts in marketing operations.</p>

The 4P's

The 4Ps has become synonymous with the marketing mix. The 4Ps are product, price, place and promotion. The strength of the 4Ps approach is that it is a memorable and practical framework for marketing decision-making. Along with the popularity with academics as a teaching tool, the 4Ps Mix became the trusted framework for marketing managers dealing with tactical/operational marketing issues.

Each of the 4 “ingredients” complement each other. For example, you cannot develop a product without considering how it will be priced.



Product


The product or service that your company wants to sell to customers. This covers everything from the product design, the technology your product uses, to the convenience of the product and warranties. A business should be able to look at their products critically as though you were from the outside looking in, and ask a couple of key questions:

- Are the products/services suitable for the market and customers of today?
- How does it rate next to competitors? Do you have a point of difference?

For a product or service to be successful, it is important to first know what market exists. Research is a crucial step to get your product right.

Price

Pricing strategies that allow you to be as profitable as possible. It needs to be relative to your competitors, the needs of your customers and the marketplace. Sometimes you need to lower your prices. At other times, it may be right to raise your prices. Often, the profitability of products / services does not justify the amount of effort and resources that go into producing them. By raising prices, you may lose a small proportion of your clients or customers, but you become profitable.



Consumers use price as an indicator of product quality or benefits.

High-priced brands are often perceived to be of higher quality and become less exposed to price cuts of competitors.

Promotion

Promotion is all the ways that you communicate with your target audience / customers about your products / services. It is important to use different forms of promotion and communication channels to find the best way to reach your customers and make sales.

Promotion includes advertising, content marketing, sponsorship, sales staff, product placement, direct mail, social media, and influencers. The way we promote our brands in 2020 has changed drastically in just ten to twenty years. What is working today will not necessarily work next week. Businesses need to update their marketing communication consistently and stay up to date with what is relevant and the most cost-effective way to reach and convert prospects into customers.

Businesses should often review their sales processes to try and maximise their conversion rate of leads into customers / clients.

Place

Place is where your product or service is sold, and how it is sold. It could be a brick and mortar store (physical location), or online. If you have a physical location, then it needs to be well thought out to be as convenient as possible for customers. If your business is based online, then your website and sales process should be professional, well-structured and easy. You want to make the process as pleasant as possible, to increase your chance of a sale. There is so many alternatives online, you do not want frustrated customers going elsewhere.

The sales channels your company uses is another aspect of place. Are you using salespeople, intermediaries or selling direct to the customer? Wholesale or retail? Are you selling through Facebook ads, telemarketing or catalogues? Your business should try different methods to work out what really works best for customers.

The marketing mix: A vague set of guidelines?

Although the 4Ps is the marketing model, it is not without its criticism. The marketing mix is a list of categories of marketing variables. The 4ps is basic in this sense, with only 4 variables. It is quite vague, and the model focuses on internal variables therefore incomplete basis for marketing.

Marketing has evolved, not suitable anymore for many businesses. Great as a general learning tool - simple to help learn basics of marketing, but not enough specifics for most businesses to apply and measure.

A shift from product-focused marketing to people-focused marketing

With the explosion of social media and digital marketing in the 2000s, the way brands communicate with customers has drastically changed. The number of services available to consumers has increased rapidly, and there has been a shift from mass marketing to niche marketing.

The 4Ps is a mass-marketed technique and is a product-oriented approach. Marketplaces today are customer-oriented, so the 4Ps is a bit outdated. Businesses must nurture relationships with niche markets and supply solutions to clients. This is a market-orientated or customer-orientated approach.

Another customer-focused marketing mix model is the 4C's (Lauterbur, 1990), that uses the dimensions of **communication, consumer needs, cost, and convenience**. Marketing decisions are based on giving customers the service they need and want. The purposes to communicate with customers and identify their needs what they specifically want to buy (consumer needs), minimize the total buying cost to satisfy what a consumer wants (cost), and provide the consumers with the ease of getting the products/services (convenience).

4C's: Marketing decisions are based on giving customers the service they need and want.

The Seven Ps of Services Marketing

The Seven P's is an extension of the 4P's, with the addition of packaging, positioning and people. Other variations of the Seven P's include Processes and Physical evidence. I will discuss all five. These frameworks are designed for services, often called the 7Ps of digital marketing, services marketing, or target market.



Physical Evidence

Physical evidence is a valuable tool for a business to build credibility with potential customers. Examples of this is consistency across branding, testimonials from former clients, and recommendations. People do not like to buy the unknown. Social proof is important for them to take the next step. Ask for feedback, and develop reference materials so new customers can buy with confidence

If your facilities are not up to an acceptable standard, why would the customer think your service is?

Physical evidence also comes in the form of professionalism from staff, and cleanliness of the brick and mortar store or office, or smart online interfaces. Clean toilets. This are reassuring to the customer. They associate professionalism with your brand, and instantly builds credibility.

Process

The process of a business is how they supply & sell a product or service. Every link of the chain from convenience and speed at the point of sale, to response time online or on the phone from customer service. The helpfulness of staff, and how complaints are dealt with. Having processes in place and staff trained in those processes ensure consistency across the organisation. A potential customer having a frustrating customer with non-empathetic staff, can have a devastating effect on mass. Many customers will give up and use another company. Then tell their friends and family, and anybody on social media who is listening, to avoid your services.

Often systems are designed to help the company instead customers. Here lies the issue.

In the age of Google Reviews, it is important to have your service processes right.

Packaging

Packaging is the way your product or service appears from the outside. Packaging also refers to your staff and how they are presented and how they interact with customers. Your place of business. Your print marketing, your branding, your website. Everything that influences customer's confidence (or lack of) of dealing with you. Like how real estate agents all dress a certain way, and often drive a similar type of car. It is all about creating a certain belief.

You want to leave people with a great first impression. Consider everything that the customer sees from the first moment of contact with your company all the way through the purchasing process. Small improvements in the packaging or external appearance of your product or service can often lead to completely different reactions from your customers.

Positioning

Positioning is where a brand sits in the market relative to the competition. Where does the brand sit in the hearts and minds of customers? What would people say if we asked them to describe a brand.

How you are seen and thought about by your customers is crucial to success. How strongly people feel about a brand, and how they perceive it compared to the alternatives, determines how likely they are to become a customer. When determining the position in the market you would like to have, think of your ideal client or customer, and what would attract them to a certain brand. How can you position yourself today to solve problems tomorrow?

People

People is the final P in the marketing mix. Not just dealing with customers, but the culture within a company. The management and staff. All the people inside and outside of your business who handle every element of your sales and marketing strategy and activities. This includes recruitment and training / professional development and staff benefits. Recruit, hire and keep people with the skills and abilities to do the job.

The reputation of your brand depends on the service customers are given, so staff must buy into the company vision, and be well-motivated with the right attitude. Many customers cannot separate the product or service from the staff member who provides it. This shows the importance of your people. Anyone who meets customers will make an impression, and that can have a profound effect on customer satisfaction. Negative or positive.

Thank you for reading.

If you got this far, then you might see value in my 50 weeks of 50 marketing topics program.

This was the first topic. Each week, for 50 weeks, I will produce a document such as this article, a video, and a PowerPoint on a different marketing topic, to help you understand it and apply it to your business to attract more customers.

The next three topics will be:

- Can you fake Authenticity?
- Facilitating Community, and
- Content Creation.

