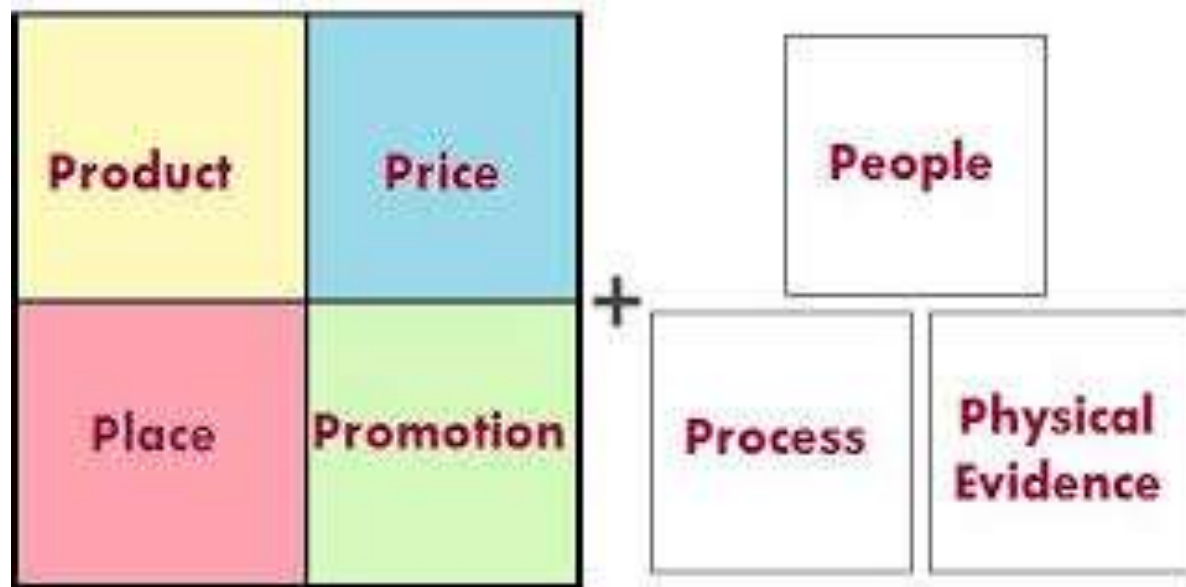


Marketing Mix

The marketing mix is a business tool used in marketing and by marketers. The marketing mix is often crucial when determining a product or brand's offer, and is often associated with the **four P's**: *price, product, promotion, and place*. In service marketing, however, the four Ps are expanded to the **seven P's**: people, physical evidence and process.

E. Jerome McCarthy proposed the four Ps classification in 1960, which has since been used by marketers throughout the world.



The 7 P's of Marketing

1 Product

There is no point in developing a product or service that no one wants to buy, yet many businesses decide what to offer first, and then hope to find a market for it afterwards. In contrast, the successful company will find out what customers need or want and then develop the right product — with the right level of quality to meet those needs now and in the future.

2 Price

A product is only worth what customers are prepared to pay for it. The price also needs to be competitive, but this does not necessarily mean the cheapest; the small business may be able to compete with larger rivals by adding extra services or details that will offer customers better value for money. Your pricing must also provide a profit. It is the only element of the marketing mix that generates revenue — everything else represents a cost.

3 Place

The place where customers buy a product, and the means of distributing your product to that place, must be appropriate and convenient for the customer. The product must be available in the right place, at the right time and in the right quantity, while keeping storage, inventory and distribution costs to an acceptable level.

4 Promotion

Promotion is the way a company communicates what it does and what it can offer customers. It includes activities such as branding, advertising, PR, corporate identity, sales management, special offers and exhibitions. Promotion must gain attention, be appealing, tell a consistent message and above all else give the customer a reason to choose your product rather than someone else's.

5 People

Anyone who comes into contact with your customers will make an impression, and that can have a profound effect — positive or negative — on customer satisfaction. The reputation of your brand rests in your people's hands. They must, therefore, be appropriately trained, well motivated and have the right attitude.

6 Process

The process of giving a service, and the behaviour of those who deliver are crucial to customer satisfaction. Issues such as waiting times, the information given to customers and the helpfulness of staff are all vital to keep customers happy.

7 Physical evidence

A service can't be experienced before it is delivered. This means that choosing to use a service can be perceived as a risky business because you are buying something intangible. This uncertainty can be reduced by helping potential customers to 'see' what they are buying.





Advantages

- Proper reach
- Increases profits
- Customer satisfaction
- Ensures survival of the product
- Improves corporate image



Product

A product or service is said to be a good that fulfills customers needs.



Product

- What does the customer want from the product/service?
What needs does it satisfy?
- What features does it have to meet these needs?
 - Are there any features you've missed out?
 - Are you including costly features that the customer won't actually use?
- How and where will the customer use it?
- What does it look like? How will customers experience it?
- What size(s), color(s), and so on, should it be?
- What is it to be called?
- How is it branded?
- How is it differentiated versus your competitors?

Price



It is the amount of money that a consumer pays or is willing to pay for the product or service offered.

Price



- What is the value of the product or service to the buyer?
- Are there established price points for products or services in this area?
- Is the customer price sensitive? Will a small decrease in price gain you extra market share? Or will a small increase be indiscernible, and so gain you extra profit margin?
- What discounts should be offered to trade

Place

Place is concerned with various methods of transporting and storing goods, and then making them available for the customer. Getting the right product to the right place at the right time involves the distribution system.



Place

- Where do buyers look for your product or service?
 - If they look in a store, what kind? A specialist boutique or in a supermarket, or both? Or online? Or direct, via a catalogue?
 - How can you access the right distribution channels?
 - Do you need to use a sales force? Or attend fairs? Or make online submissions? Or samples to catalogue companies?
- do you competitors do, and how can you



Promotion

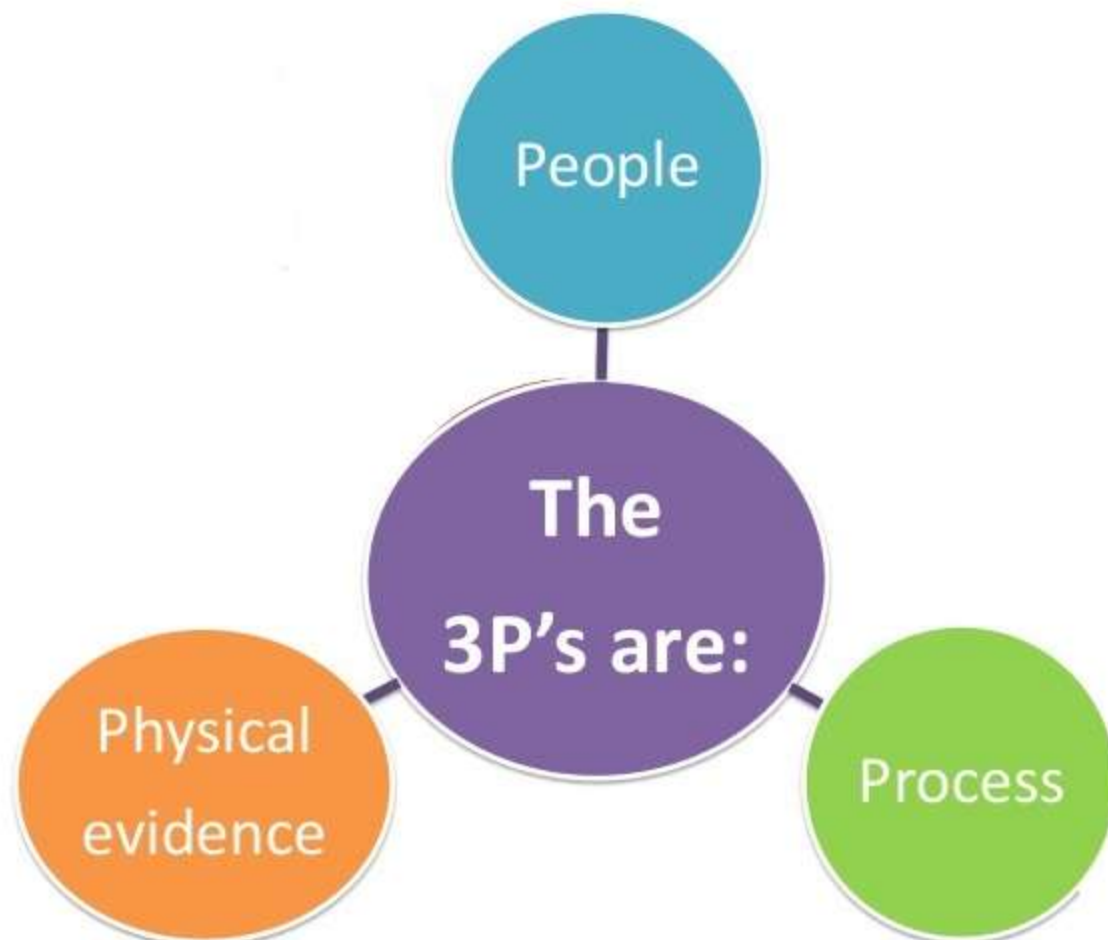
Promotion is the process of communicating with customers. It provides information to the customer that will assist them in making a decision to purchase a product or service.



Promotion

- Where and when can you get across your marketing messages to your target market?
- Will you reach your audience by advertising in the press, or on TV, or radio, or on billboards? By using direct marketing techniques? Through PR? On the Internet?
- When is the best time to promote? Is there seasonality in the market? Are there any wider environmental issues that suggest or dictate the timing of your market launch, or the timing of subsequent promotions?
- How do your competitors do their promotions how does that influence your choice of promc





People

Customer service lies at the heart of modern service industries. People are an essential ingredient in service provision; recruiting and training the right staff is required to create a competitive advantage. Customers make judgments about service provision and delivery based on the people representing your organization. This is because people are one of the few elements of the service that customers can see and interact with. Customers are likely to be loyal to organization's that serve them

Proce ss

This element of the marketing mix looks at the systems used to deliver the service.

In customer service there are a number of processes involved in making marketing effective in an organization

example: processes for handling customer complaints, processes for identifying customer needs and requirements, processes for handling order etc.

Physical Evidence

Physical evidence is about where the service is being delivered from. It is particularly relevant to retailers operating out of shops. This element of the marketing mix will distinguish a company from its competitors. Physical evidence can be used to charge a premium price for a service and establish a positive experience.

Example: if you walk into a restaurant you expect a clean and friendly environment, if the restaurant is smelly or dirty, customers are likely

Conclusion

The Service Marketing Mix involves Product, Price, Place, Promotion, People, Process and Physical Evidence. Firms marketing a service need to get each of these elements correct. The marketing mix for a service has additional elements because the characteristics of a service are different to the characteristics of a product.