

4.5 The seven Ps of the marketing mix

Processes

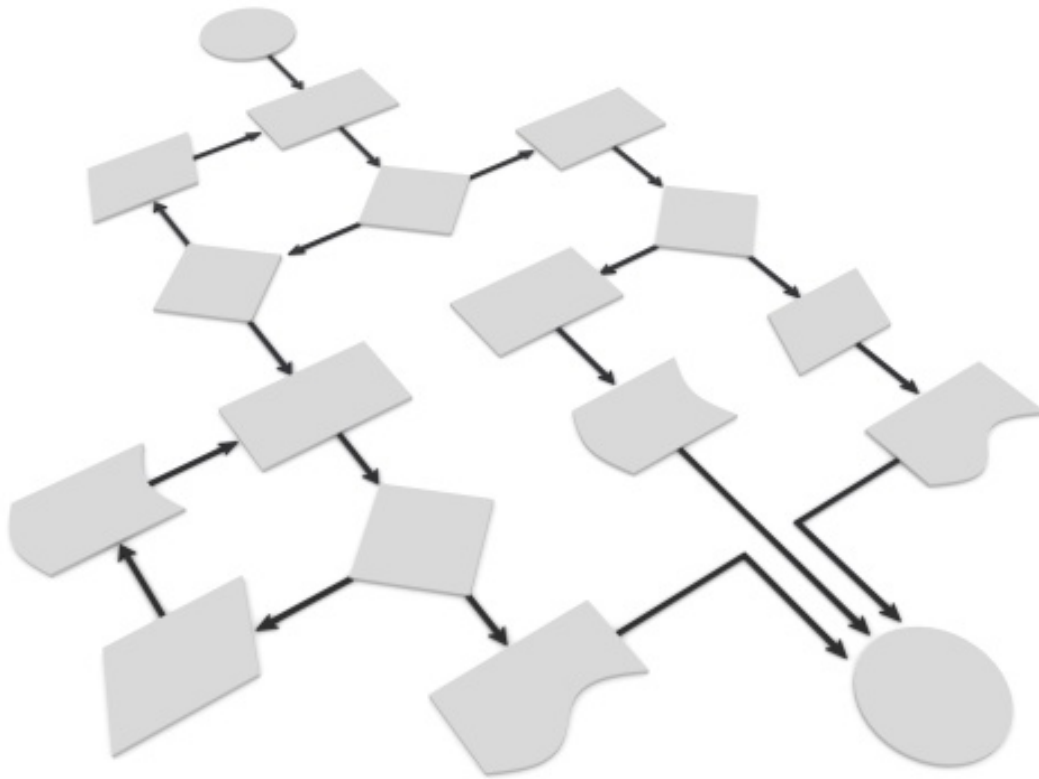


Figure 1. Process: The procedures and policies put in place in order to offer a product or a service.

Credit: alexsl, Getty Images

Process is an element of the services marketing mix. It describes all the activities needed in the interaction between the customer and the business. Every customer interaction with the business should be considered carefully. This is because problems with processes can ruin the customer experience with an excellent product. Processes include:

- placing and paying for orders
- delivery systems
- customer feedback
- after-sales service

Placing and paying for orders

When consumers pay for a product, they want security and speed. All reputable businesses offer their customers payment security. This involves, for example, customer authentication, digital signatures and biometric data storage.

However, efficient order and payment processes can be a unique selling point (USP) for a business. When Apple developed its iTunes store, for example, the designers planned that customers could make a purchase with only three mouse clicks. Amazon makes this process faster with its '1-Click Ordering' button. Combined with Amazon's Prime service, customers can expect delivery of goods on the same day or early the next day. Amazon has now introduced food stores called Amazon Go, where customers do not need to check out to pay at all. Other grocery retailers are also introducing this service.



Figure 2. Products can now be ordered and purchased very quickly, but at what cost?

Credit: Marco Geber, Getty Images

Concept

Ethics and sustainability

Many consumers appreciate an easy and quick process for ordering and paying for goods and services online. When customers encounter even small problems with ordering or payment, they may decide not to complete the purchase. Knowing this,

businesses are working to remove barriers in the ordering and payment process in order to make it 'frictionless'.

However, there are a number of ethical concerns about frictionless purchases. For example, one concern is that stores without cashiers – like Amazon Go – require customers to use an app that tracks both their movements and which products they pick up in a store. This has raised privacy concerns; there is much more data collected than is strictly necessary to charge customers for the goods they take from the store.

A second concern is related to both ethics and sustainability. The easier it is for customers to order and pay for products, the more likely it is that they will make impulse purchases. Consumers may later regret those purchases. This overconsumption places stress on the planet's resources. More products may also be returned by customers who regret the purchases. This increases the carbon footprint of delivery services. Many returned products are also just discarded by the businesses because the costs of preparing them for resale are too great.

If you want to see the effect of this, try an experiment for yourself. The next time you want to purchase some goods online, put the products in an online basket and wait a week before making the purchase. Were there things in your basket that you decided you did not need after all?

Delivery systems

Efficient delivery systems can be developed into a USP. If a florist can deliver bouquets of flowers at short notice, then that florist is more likely to be chosen over its rivals. Online supermarkets around the world – such as Foodpanda in Singapore, Ocado in the UK, and BigBasket in India – make grocery shopping fast and easy. These stores became much more popular during the COVID-19 pandemic as people avoided public spaces.

A recent trend in grocery delivery is **Q-commerce**, which stands for quick commerce. Q-commerce businesses offer on-demand delivery, often focused on groceries. Delivery times are very short – usually around 30 minutes or less – which is very convenient for consumers who might not be able to plan around delivery times. To achieve these short delivery times, the businesses have set up **dark stores**, which are mini warehouses in dense urban areas. Dark stores are not always welcomed by local residents, however, as there can be problems with noise and traffic from electric scooters near the stores. As a result, some cities are restricting the expansion of these dark stores (<https://www.reuters.com/business/retail-consumer/rotterdam-joins-amsterdam-freezing-new-dark-stores-2022-02-03/>).



Figure 3. Online supermarkets make grocery shopping fast and easy.

Credit: Isuzek, Getty Images

Customer feedback

Customer feedback is information that customers provide to a business about their products. Customer feedback allows businesses to maintain and improve their service levels. Businesses can create processes to gather feedback.

Mobile taxi booking app Uber, for example, prompts customers to rate their experience at the end of each journey. Drivers with the best feedback are assigned more rides, so make more money. If a customer gives a poor rating, Uber will contact them to find out what went wrong in order to improve the service.

Other methods that businesses can use to gather feedback include periodic surveys of customers and having customers provide reviews of products on digital platforms. In addition to helping the business improve, these reviews can help consumers decide whether to purchase the products.

After-sales service

After-sales service refers to the maintenance, help and information a business provides to the customer after they have purchased a product.

After-sales service is important for both goods and services. In the service sector, however, businesses will often need repeat purchases. This is especially true in the high-priced service sectors such as law, accounting and consultancy. Businesses in these industries will develop long-term relationships with their clients and rely on the clients' loyalty. Maintaining these relationships will encourage returning customers and support higher revenues.



Figure 4. After-sales services can encourage customer loyalty and repeat purchases.

Credit: Hispanolistic, Getty Images