

## **MARKETING MIX**

Marketing Mix contained 4 elements product, price, place and promotion.

### **Product**

The product aspects of marketing deal with the specifications of the actual goods or services, and how it relates to the end-user's needs and wants. The scope of a product generally includes supporting elements such as warranties, guarantees, and support.

### **Pricing**

This refers to the process of setting a price for a product, including discounts. The price need not be monetary; it can simply be what is exchanged for the product or services, e.g. time, energy, or attention. Methods of setting prices optimally are in the domain of pricing science. A number of modes of pricing techniques exist, which span:

- Elasticity's (whether Price Elasticity of Demand, Cross Elasticity of Demand, or Income Elasticity of Demand)
- Market skimming pricing
- Market penetration pricing
- Placement (or distribution)

This refers to how the product gets to the customer; for example, point-of-sale placement or retailing. This third P has also sometimes been called Place, referring to the channel by which a product or service is sold (e.g. online vs. retail), which geographic region or industry, to which segment (young adults, families, business people), etc. also referring to how the environment in which the product is sold in can affect sales.

### **Promotion**

This includes advertising, sales promotion, including promotional education, publicity, and personal selling. Branding refers to the various methods of promoting the product, brand, or company.

These four elements are often referred to as the marketing mix,<sup>[5]</sup> which a

marketer can use to craft a marketing plan. The four Ps model is most useful when marketing low value consumer products. Industrial products, services, high value consumer products require adjustments to this model. Services marketing must account for the unique nature of services.

Industrial or B2B marketing must account for the long term contractual agreements that are typical in supply chain transactions. Relationship marketing attempts to do this by looking at marketing from a long term relationship perspective rather than individual transactions. As a counter to this, Morgan, in *Riding the Waves of Change* (Jossey-Bass, 1988), suggests that one of the greatest limitations of the 4 Ps approach "is that it unconsciously emphasizes the inside-out view (looking from the company outwards), whereas the essence of marketing should be the outside-in approach".

In order to recognize the different aspects of selling services, as opposed to Products, a further three Ps were added to make a range of Seven Ps for service industries:

- Process - the way in which orders are handled, customers are satisfied and the service is delivered.
- Physical Evidence - is tangible evidence of the service customers will receive (for example a holiday brochure).
- People - the people meeting and dealing with the customers.

As markets have become more satisfied, the 7 Ps have become relevant to those companies selling products, as well as those solely involved with services: customers now differentiate between sellers of goods by the service they receive in the process from the people involved. Some authors cite a further P - Packaging - this is thought by many to be part of Product, but in certain markets (Japan, China for example) and with certain products (perfume, cosmetics) the packaging of a product has a greater importance - maybe even than the product itself.