

Marketing Mix

Definition of Marketing Mix

Marketing is still an art, and the marketing manager, as head chef, must creatively marshal all his marketing activities to advance the short and long term interests of his firm. Marketing involves a number of activities. To begin with, an organization may decide on its target group of customers to be served. Once the target group is decided, the product is to be placed in the market by providing the appropriate product, price, distribution and promotional efforts. These are to be combined or mixed in an appropriate proportion so as to achieve the marketing goal. Such mix of product, price, distribution and promotional efforts is known as Marketing Mix.

The businessman needs to follow the rules to start its business:

- a) produce or manufacture the product according to consumers' need
- b) make available it at a price that the consumers' find reasonable
- c) supply the product to the consumers at different outlets they can conveniently approach
- d) inform the consumers about the product and its characteristics through the media they have access to

So the marketing manager concentrates on seven major decision areas while planning the Marketing activities, namely:

- 1) Products
- 2) Price
- 3) Place (distribution)
- 4) Promotion
- 5) People
- 6) Process
- 7) Physical Evidence

These 7'P's are called as elements of marketing and together they constitute the marketing mix.

Concept of Product and its Classification

According to Philip Kotler "Marketing Mix is the set of controllable variables that the firm can use to influence the buyer's response". The controllable variables in this context refer to the 7 'P's [product, price, place (distribution) and promotion]. Each firm strives to build up such a composition of 7'P's, which can create highest level of consumer satisfaction and at the same time meet its organizational objectives. Thus, this mix is assembled keeping in mind the needs of target customers, and it varies from one organization to another depending upon its available resources and marketing objectives. Let us now have a brief idea about the seven components of marketing mix.

Product: Product refers to the goods and services offered by the organization. A pair of shoes, a plate of dahi-vada, a lipstick, all are products. All these are purchased because they satisfy one or

more of our needs. We are paying not for the tangible product but for the benefit it will provide. So, in simple words, product can be described as a bundle of benefits which a marketer offers to the consumer for a price

Price: Price is the amount charged for a product or service. It is the second most important element in the marketing mix. Fixing the price of the product is a tricky job. Many factors like demand for a product, cost involved, consumer's ability to pay, prices charged by competitors for similar products, government restrictions etc. have to be kept in mind while fixing the price. In fact, pricing is a very crucial decision area as it has its effect on demand for the product and also on the profitability of the firm.

Place: Goods are produced to be sold to the consumers. They must be made available to the consumers at a place where they can conveniently make purchase. Woollens are manufactured on a large scale in Ludhiana and you purchase them at a store from the nearby market in your town.

Promotion: If the product is manufactured keeping the consumer needs in mind, is rightly priced and made available at outlets convenient to them but the consumer is not made aware about its price, features, availability etc, its marketing effort may not be successful. Therefore promotion is an important ingredient of marketing mix as it refers to a process of informing, persuading and influencing a consumer to make choice of the product to be bought.

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

Process: The process of giving a service, and the behaviour of those who deliver and 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. Process is one the "P's" that is frequently overlooked.

Physical Evidence. 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. Cases studies and testimonials can provide evidence that an organization keeps its promises.

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