



The Eight 'P' of Marketing Mix

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Abstract:

The paper assesses the current standing of the 4Ps Marketing Mix framework as the dominant marketing management paradigm and identifies market developments, and understanding towards the elaboration from 4Ps to 7Ps by adding 3 more new to the clan. Further, the concept moves towards the next level of mix to identifying and explaining the Eight P as Performance.

What is Marketing, Marketing Mix, Key features of Marketing Mix, 4 P's of Marketing Mix, 7 P's of Marketing Mix, Evolution of Eighth P of the Marketing Mix and the Conclusion. KEYWORDS: Marketing, Marketing Mix, Performance (Productivity and Quality).

Keywords: *Eight 'P', Marketing mix*

1. Introduction

“Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating offering and exchanging products of value with other.” – Philip Kotler. The Marketing Mix is the set of controllable marketing tool that the firm blends to produce the response it wants in the target market. The marketing mix consists of everything the firm can do to influence the demand for its product. The classical 4 P structure of the Marketing Mix needs to be modified suitably to incorporate the 8 Ps for marketing, which was previously known as the 7 Ps only.

2. Marketing

The American Marketing Association has defined marketing as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and society at large.”

3. Marketing Mix

E. Jerome McCarthy divided marketing into four general sets of activities. His typology has become so universally recognized that his four activity sets, the 4 Ps, have passed into a language.

3.1 Determining the Marketing Mix

The firm's current marketing mix may be represented in the following vector:

(P, A, D, R) T

Where,

P = Price

A = Advertising and sales promotion (Promotion)

D = Distribution (Place)

R = Product (Product quality rating with 1.00 = average) T = Particular point of time.

4. Key Features of Marketing Mix

- 1. Interdependent variables:** The marketing mix is made up of four unique variables. These four variables are interdependent and need to be planned in conjunction with one another to ensure that the action plans within all four are complimentary and aligned.
- 2. Help Achieve Marketing Targets:** Through the use of this set of variables, the company can achieve its marketing targets such as sales, profits, and customer retention and satisfaction.
- 3. Flexible Concept:** The marketing mix is a fluid and flexible concept and the focus on any one variable may be increased or decreased given unique marketing conditions and customer requirements.
- 4. Constant Monitoring:** It is vital to keep an eye on changing trends and requirements, within the company as well as in the market to ensure that the elements in marketing mix stays relevant and updated.
- 5. Role of Marketing Manager:** A mature, intelligent and innovative marketing manager needs to be at the helm of the marketing mix. This pivotal role means that this manager is responsible for achieving desired results through the skill manipulation of these variables.
- 6. Customer as a focal point:** A vital feature of the marketing mix is that the customer is the focal point of the activity. The value of the product is determined by customer perceptions and the goal is to achieve a satisfied and loyal customer.

The 4Ps of marketing is a model for enhancing the components of ‘marketing mix’ – the way in which you take a new product or service to market. It helps you to define the marketing options in terms of price, product, promotion, and place so that your offering meets a specific customer need or demand.

5. The four ‘P’s are

5.1 Product

Product is anything that can be offered to market to satisfy a want or need, including physical goods, services, experiences, persons. It is a bundle of utilities or a cluster of tangible and intangible attributes. Product component of the marketing mix involves planning, developing, and producing the right type of products and services. It deals with the dimensions of product line, durability, and other qualities. Product mix is the composite of products offered for sale by a firm over a period of time. Product mix requires decisions with regard to—size, design and weight of the product, quality of the product, brand name, packaging, after sale services etc.

A private college, for example, is selling higher education. Its competitors are other private schools, and substitutes include public universities. To market a service, consider the tangible and intangible benefits it provides and any tangential products or services that can be co-marketed.

All products follow a logical product life cycle and it is vital for marketers to understand and plan for the various stages and their unique challenges. It is key to understand those problems that the product is attempting to solve.

5.2 Price

Price is an important factor affecting the success of a firm. Price covers the actual amount the end user is expected to pay for a product. How a product is priced will directly affect how it sells. This is linked to what the perceived value of the product is to the customer rather than an objective costing of the product on offer. If a product is priced higher or lower than its perceived value, then it will not sell. This is why it is imperative to understand how a customer sees what you are selling. If there is a positive customer value, than a product may be successfully priced higher than its objective monetary value. Conversely, if a product has little value in the eyes of the consumer, then it may need to be underpriced to sell. Price may also be affected by distribution plans, value chain costs and mark-ups and how competitors price a rival product.

Pricing should take the following factors into account:

1. Fixed and Variable costs
2. Competition
3. Company objectives
4. Proposed Positioning and Target Group

An organisation can adopt a number of pricing strategies; the pricing strategy will usually be based on corporate objectives.

5.3 Placement (Distribution)

Place is defined as the "direct or indirect channels to market, geographical distribution, territorial coverage, retail outlet, market location, catalogues, inventory, logistics and order fulfilment". Place refers either to the physical location where a business carries out business or the distribution channels used to reach markets. Place may refer to a retail outlet, but increasingly refers to virtual stores such as "a mail order catalogue, a telephone call centre or a website.

This element of the marketing mix involves the choice of the place where products are to be displayed and made available to customers. It is concerned with decisions related to the wholesale and retail outlets or channels of the distribution. The objective of selecting and managing trade channels is to provide the products to the right customers at the right time and place on a continuing basis. In deciding where and through whom to sell, management should consider where the customer wants the goods to be available.

The goal of business executives is to get their products in front of the consumers who are most likely to buy them. In some cases, this may refer to placing a product in certain stores, but it also refers to the placement of the product on a store's display or where a product is showcased on a web page.

5.4 Promotion

Promotion refers to "the marketing communication used to make the offer known to potential customers and persuade them to investigate it further.

Promotion component of the marketing mix concerned with bringing products and services to the knowledge of the customers and persuading them to buy. It is the function of informing and influencing the customers. Promotion mix involves decisions with respect to advertising, personal selling and sales promotion. All these techniques help to promote the product and fight competition in the market.

Growing competition and widening market have made simultaneous use of more than one promotional method all the more necessary. Combination of two or more methods in a single promotional campaign requires an effective blending of promotional inputs so as to optimize the expenditure on each. While devising a promotional mix nature of product, type of customers, the promotion budget, stage of demand, etc should be taken into consideration. This tie into the other three Ps of the marketing mix, as promoting a product shows consumers why they need it and why they should be willing to pay a certain price for it. In addition, marketers tend to tie promotion and placement elements together so they can reach their core audiences.

Seven Ps

In the late 70's it was widely acknowledged by Marketers that the Marketing Mix should be updated. This led to the creation of the Extended Marketing Mix in 1981 by Booms & Bitner which added 3 new elements to the 4 P's Principle. This now allowed the extended Marketing Mix to include products that are services and not just physical things.

5.5 People

All the companies are reliant on the people who run them from the front line Sales staff to the Managing Director. Marketing will be as good as the employees inside the organization. Having the right person at the right position is very essential because they are as much a part of the business offering as the products/services offered. It also reflects the fact that marketers must view consumers as people to understand their lives more broadly, not just as they shop for and consumer products and services.

5.6 Processes

A process reflects all the creativity, discipline, and structure brought to marketing management. Marketers must avoid ad hoc planning and decision making and ensure that state-of-the-art marketing ideas and concept play a pivotal role in all they do. Only by instituting the right set of processes to guide activities and programs can a firm engage in mutually beneficial long-term relationship.

The delivery of the service for example is usually done with the customer present so how the service is delivered is important.

5.7 Programs

Programs reflects all the firm's consumer-directed activities. It encompasses the old four Ps as well as range of other marketing activities that might not fit as neatly into the old view of marketing. Regardless of whether they are online or offline, traditional or non-traditional, these activities must be integrated such that their whole is greater than the sum of their parts and they accomplish multiple objectives of the firm.

As well as the other 7, Packaging has been added to this list by some people. The rationale is that it is very important how the product is presented to the customer, and the packaging is often the first contact that a customer has with a product. Although some disagree because packaging is seen as a sub-field of promotion.

Is there an 8th P?

In some spheres of thinking, there is a 8th P of the Marketing Mix. Now the final P is Performance. This Extended Marketing Mix is explained below in detail.

6. The Eighth 'P'

6.1 Performance (Productivity & Quality)

Performance is defined as in holistic marketing, to capture the range of possible outcome measures that have financial and non-financial implications (profitability as well as brand and customer equity), and implication beyond the company itself (social responsibility, legal, ethical, and community related).

This P asks "what you're offering your customer is a good deal?" This is less about the business improving its own productivity for cost management, and more about how the company passes this onto its customers.

Sometimes called productivity, performance examines how well a company's services compete in the marketplace. This may include how consistent the service is and how well its features translate into benefits as it is being delivered. A carpet cleaning service may employ state-of-the-art equipment but have trouble attracting repeat customers. Performance also considers how to measure the company's financial goals and whether they are being achieved.

The 8th P of Services Marketing has emerged in research and is called as Productivity and Quality. In integral services management, improving productivity is a requisite in cost management; but quality, as defined by the customer, is essential for a service to differentiate itself from other providers.

It has been recognized that overall profitability of a firm may be greatly impacted by focusing on not only at the top-line by improving sales but also focusing on the bottom-line by lowering overall cost of delivering services. In services management, often the variable costs are a lot more than fixed costs, and so incremental costs, if managed properly can have a huge impact on productivity. So for services, a firm may greatly benefit through proper re-engineering of processes and remodelling the same if required to improve productivity at each stage.

It has also been established in research that process improvements deliver better standardization and hence better quality in services. Quality perception is a crucial differentiating factor on services management and for long term sustainability of the same. Business Process Remodelling can lead to major process efficiency improvements which again can impact overall quality as is actually delivered by the firm and is also perceived by the customers / clientele.

In order to stand out from the crowd and get people's attention, your business must strive to outperform everything else in your field.

7. Conclusion

Customer research is a key element in building an effective marketing mix.

Even after 31 years, the marketing mix is still very much applicable to a marketer's day to day work. A good marketer will learn to adapt the theory to fit with not only modern times but their individual business model.

The seven Ps of the broadened marketing mix manage about any issue that could pop up when offering a product or service to buyers. These new four p's actually to all disciplines within the company, and by thinking this way, managers grow more closely aligned with rest of the company. These 8 Ps each element must be consistent with the other. We have to make sure that pricing match your perceived product quality and your packaging, just as you ensure your people deliver service in keeping with your price and reliability towards its performance.

Productivity in this regard is always combined with quality – supply of the best quality every time.

Is there any 9th P also?? Yes, there is. Many philosophers are studying this prospect and have declared the next P of the marketing mix.

In 2008, Brian K. Law of Fox College of business suggested **PAYMENT** as the ninth P for the marketing mix. Ease and security of transaction plays a crucial role in marketing especially in this age of electronic commerce.

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