

MARKETING MIX (Compiled by Deep Banerjee, Marketingpundit.com)

Marketing mix is the set of controllable variables and their levels that the firm uses to influence the target market.

The elements of **marketing mix** are the basic, tactical components of a marketing plan. Also known as the **Four P's**, the *marketing mix* elements are **price, place, product, and promotion**.

The concept is simple. Think about another common mix - an ice-cream mix. All ice-creams contain milk, sugar, flavours. However, one can alter the final ice-cream by altering the amounts of mix elements contained in it. So for a chocolate flavour add more chocolate powder, for vanilla flavour add more vanilla powder and for bitter coffee taste add less sugar and more coffee powder!

It is the same with the marketing mix. The offer you make to your customer can be altered by varying the mix elements. So for a high profile brand, increase the focus on promotion and desensitize the weight given to price.

Another way to think about the marketing mix is to use the image of an artist's palette. The marketer mixes the prime colours (mix elements) in different quantities to deliver a particular final colour. Every hand painted picture is original in some way, as is every marketing mix.

Some commentators will increase the marketing mix to the **Five P's**, to include **people**. Others will increase the mix to **Seven P's**, to include **physical evidence** (such as uniforms, facilities, or livery) and **process** (i.e. the whole customer experience e.g. a visit the Disney World).

Price

There are many ways to **price** a product. The pricing policy/ strategy varies in various situations. High involvement products (cars, laptops, apartments, branded cereals and cooking oils) are generally priced much higher than low involvement products (unbranded cereals, potatoes). Various product attributes are taken into account before/ while making a purchase decision.

Place

Another element of Marketing Mix is **Place**. Place is also known as **channel, distribution, or intermediary**. It is the mechanism through which goods and/or services are moved from the manufacturer/ service provider to the user or consumer.

Product

For many people, a **product** is simply the tangible, physical entity that they may be buying or selling. You buy a new TV and that's the product - simple! Or maybe not. When you buy a TV, is the product more complex than you first thought?

In order to actively explore the nature of a product further, lets consider it as three different products - the **CORE** product (intangible benefit perception of the product), the **ACTUAL** product (the tangible physical product), and finally the **AUGMENTED** product (non-physical value added part of the product).

Another marketing tool for evaluating product is the Product Life Cycle (PLC).

The Product Life Cycle (PLC) is based upon the biological life cycle. For example, a seed is planted (introduction); it begins to sprout (growth); it shoots out leaves and puts down roots as it becomes an adult (maturity); after a long period as an adult the plant begins to shrink and die out (decline).

The Customer Life Cycle (CLC) has obvious similarities with the Product Life Cycle (PLC). However, CLC focuses upon the creation of and delivery of lifetime value to the customer i.e. looks of the products or services that customers need throughout their lives.

Promotion

Another one of the 4P's is **promotion**. This includes all of the tools available to the marketer for 'marketing communication'. As with Neil H.Borden's marketing mix, marketing communications has its own 'promotions mix.' Think of it like a cake mix, the basic ingredients are always the same. However if you vary the amounts of one of the ingredients, the final outcome is different.

Physical Evidence

Physical Evidence is the material part of a service. Strictly speaking there are no physical attributes to a service, so a consumer tends to rely on material cues. Examples of physical evidences are packaging, web pages, brochures, mail boxes, etc. Some organisations depend heavily upon physical evidence as a means of marketing communications, for example tourism attractions and resorts (e.g. Disney World), parcel and mail services (e.g. DTDC, Blue Dart), and large banks and insurance companies (e.g. ICICI Bank, AXIS Bank, LIC).

People

People are the most important element of any service or experience. Services tend to be produced and consumed at the same moment, and aspects of the customer experience are altered to meet the 'individual needs' of the person consuming it.

Process

Process is another element of the extended marketing mix, or 7P's. There are a number of perceptions of the concept of process within the business and marketing literature. Some see processes as a means to achieve an outcome, for example - to achieve a 30% market share a company implements a marketing planning process.

A list of marketing variables under **Product, Place, Promotion, Price** are as follows:

Product	Place	Promotion	Price
Quality	Channels	Advertising	List price
Features	Coverage	Personal selling	Discounts
Options	Locations	Sales promotion	Allowances
Style	Inventory	Publicity	Payment period
Brand name	Transport		Credit terms
Packaging			
Sizes			
Services			
Warranties			
Returns			