A Comparative Study of 4P’s Of Marketing Company

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Introduction

Marketing is the act of satisfying and retaining customers. It is one of the primary components of business management and commerce.

Marketing is typically conducted by the seller, typically a retailer or manufacturer. Products can be marketed to other businesses (B2B) or directly to consumers (B2C). Sometimes tasks are contracted to dedicated marketing firms, like a media, market research, or advertising agency. Sometimes, a trade association or government agency (such as the Agricultural Marketing Service) advertises on behalf of an entire industry or locality, often a specific type of food (e.g. Got Milk?), food from a specific area, or a city or region as a tourism destination.

Market orientations are philosophies concerning the factors that should go into market planning. The marketing mix, which outlines the specifics of the product and how it will be sold, including the channels that will be used to advertise the product, is affected by the environment surrounding the product, the results of marketing research and market research, and the characteristics of the product's target market. Once these factors are determined, marketers must then decide what methods of promoting the product, including use of coupons and other price inducements.

Definition

Marketing is currently defined by the American Marketing Association (AMA) 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". However, the definition of marketing has evolved over the years. The AMA reviews this definition and its definition for "marketing research" every three years. The interests of "society at large" were added into the definition in 2008. The development of the definition may be seen by comparing the 2008 definition with the AMA's 1935 version: "Marketing is the performance of business activities that direct the flow of goods, and services from producers to consumers". The newer definition highlights the increased prominence of other stakeholders in the new conception of marketing.

Recent definitions of marketing place more emphasis on the consumer relationship, as opposed to a pure exchange process. For instance, prolific marketing author and educator, Philip Kotler has evolved his definition of marketing. In 1980, he defined marketing as "satisfying needs and wants through an exchange process",and in 2018 defined it as "the process by which companies engage customers, build strong customer relationships, and create customer value in order to capture value from customers in return". A related definition, from the sales process engineering perspective, defines marketing as "a set of processes that are interconnected and interdependent with other functions of a business aimed at achieving customer interest and satisfaction".

Some definitions of marketing highlight marketing's ability to produce value to shareholders of the firm as well. In this context, marketing can be defined as "the management process that seeks to maximise returns to shareholders by developing relationships with valued customers and creating a competitive advantage". For instance, the Chartered Institute of Marketing defines marketing from a customer-centric perspective, focusing on "the management process responsible for identifying, anticipating and satisfying customer requirements profitably".

In the past, marketing practice tended to be seen as a creative industry, which included advertising, distribution and selling, and even today many parts of the marketing process (e.g. product design, art director, brand management, advertising, inbound marketing, copywriting etc.) involve the use of the creative arts. However, because marketing makes extensive use of social sciences, psychology, sociology, mathematics, economics, anthropology and neurosci ence, the profession is now widely recognized as a science. Marketing science has developed a concrete process that can be followed to create a marketing plan.

Concept

The "marketing concept" proposes that to complete its organizational objectives, an organization should anticipate the needs and wants of potential consumers and satisfy them more effectively than its competitors. This concept originated from Adam Smith's book *The Wealth of Nations* but would not become widely used until nearly 200 years later. Marketing and Marketing Concepts are directly related.

Given the centrality of customer needs, and wants in marketing, a rich understanding of these concepts is essential:

Needs: Something necessary for people to live a healthy, stable and safe life. When needs remain unfulfilled, there is a clear adverse outcome: a dysfunction or death. Needs can be objective and physical, such as the need for food, water, and shelter; or subjective and psychological, such as the need to belong to a family or social group and the need for self-esteem.

Wants: Something that is desired, wished for or aspired to. Wants are not essential for basic survival and are often shaped by culture or peer-groups.

Demands: When needs and wants are backed by the ability to pay, they have the potential to become economic demands.

Marketing research, conducted for the purpose of new product development or product improvement, is often concerned with identifying the consumer's *unmet needs*. Customer needs are central to market segmentation which is concerned with dividing markets into distinct groups of buyers on the basis of "distinct needs, characteristics, or behaviors who might require separate products or marketing mixes." Needs-based segmentation (also known as *benefit segmentation*) "places the customers' desires at the forefront of how a company designs and markets products or services." Although needs-based segmentation is difficult to do in practice, it has been proved to be one of the most effective ways to segment a market. In addition, a great deal of advertising and promotion is designed to show how a given product's benefits meet the customer's needs, wants or expectations in a unique way.

Types of Marketing Strategies

Marketing is comprised of an incredibly broad and diverse set of strategies. The industry continues to evolve, and the strategies below may be better suited for some companies over others.

Traditional Marketing Strategies

Before technology and the Internet, traditional marketing was the primary way companies would market their goods to customers. The main types of traditional marketing strategies include:

- **Outdoor Marketing:** This entails public displays of advertising external to a consumer's house. This includes billboards, printed advertisements on benches, sticker wraps on vehicles, or advertisements on public transit.
- **Print Marketing:** This entails small, easily printed content that is easy to replicate. Traditionally, companies often mass-produced printed materials, as the printed content was the same for all customers. Today, more flexibility in printing processes means that materials can be differentiated.
- **Direct Marketing:** This entails specific content delivered to potential customers. Some print marketing content could be mailed. Otherwise, direct marketing mediums could include coupons, vouchers for free goods, or pamphlets.
- **Electronic Marketing:** This entails the use of TV and radio for advertising. Through short bursts of digital content, a company can convey information to a customer through visual or auditory media that may grab a viewer's attention better than a printed form.
- **Event Marketing:** This entails attempting to gather potential customers at a specific location for the opportunity to speak with them about products or demonstrate products. This includes conferences, trade shows, seminars, roadshows, or private events.

Digital Marketing

The marketing industry has been forever changed with the introduction of digital marketing. From the early days of pop-up ads to targeted placements based on viewing history, there are now innovative ways companies can reach customers through digital marketing.

- **Search Engine Marketing:** This entails companies attempting to increase search traffic through two ways. First, companies can pay search engines for placement on result pages. Second, companies can emphasize search engine optimization (SEO) techniques to organically place high on search results.
- **E-mail Marketing:** This entails companies obtaining customer or potential customer e-mail addresses and distributing messages or newsletters. These messages can include coupons, discount opportunities, or advance notice of upcoming sales.
- **Social Media Marketing:** This entails building an online presence on specific social media platforms. Like search engine marketing, companies can place paid advertisements to bypass algorithms and obtain a higher chance of being seen by viewers. Otherwise, a company can attempt to organically grow by posting content, interacting with followers, or uploading media like photos and videos.
- **Affiliate Marketing:** This entails using third-party advertising to drive customer interest. Often, an affiliate that will get a commission from a sale will do affiliate marketing as the third party is incentivized to drive a sale for a good that is not their own original product.
- **Content Marketing:** This entails creating content, whether eBooks, infographics, video seminars, or other downloadable content. The goal is to create a product (often free) to share information about a product, obtain customer information, and encourage customers to continue with the company beyond the content.

What Are the Benefits of Marketing?

Well-defined marketing strategies can benefit a company in several ways. It may be challenging to develop the right strategy or execute the plan; when done well, marketing can yield the following results:

- **Audience Generation.** Marketing allows a company to target specific people it believes will benefit from its product or service. Sometimes, people know they have the need. Other times, they don't realize it. Marketing enables a company to connect with a cohort of people that fit the demographic of whom the company aims to serve.
- **Inward Education.** Marketing is useful for collecting information to be processed internally to drive success. For example, consider market research that finds a certain product is primarily purchased by women aged 18 to 34 years old. By collecting this information, a company can better understand how to cater to this demographic, drive sales, and be more efficient with resources.
- **Outward Education.** Marketing can also be used to communicate with the world what your company does, what products you sell, and how your company can enrich the lives of others. Campaigns can be educational, informing those outside of your company why they need your product. In addition, marketing campaigns let a company introduce itself, its history, its owners, and its motivation for being the company it is.
- **Brand Creation.** Marketing allows for a company to take an offensive approach to creating a brand. Instead of a customer shaping their opinion of a company based on their interactions, a company can preemptively engage a customer with specific content or media to drive certain emotions or reactions. This allows a company to shape its image before the customer has ever interacted with its products.
- **Long-lasting.** Marketing campaigns done right can have a long-lasting impact on customers. Consider Poppin' Fresh, also known as the Pillsbury Doughboy.

First appearing in 1965, the mascot has helped create a long-lasting, warm, friendly brand for Pillsbury.

- **Financial Performance.** The ultimate goal and benefit of marketing are to drive sales. When relationships with customers are stronger, well-defined, and positive, customers are more likely to engage in sales. When marketing is done right, customers turn to your company, and you gain a competitive advantage over your competitors. Even if both products are exactly the same, marketing can create that competitive advantage for why a client picks you over someone else.

According to MarTech, a digital marketing provider, the world will spend $4.7 trillion on marketing by 2025. This estimate includes an increase of $1.1 trillion from 2021 to 2025.

What Are the Limitations of Marketing?

Though there are many reasons a company embarks on marketing campaigns, there are several limitations to the industry.

- **Oversaturation.** Every company wants customers to buy its product and not its competitors. Therefore, marketing channels can be competitive as companies strive to garner more positive attention and recognition. If too many companies are competing, a customer's attention may be strongly diluted, resulting in any form of advertising not being effective.
- **Devaluation.** When a company promotes a price discount or sale, the public may psychologically eventually see that product as worth less in the future. If a campaign is so strong, customers may even wait to purchase a good knowing or remembering what the sale price was from before. For example, some may intentionally hold off buying goods if Black Friday is approaching.
- **No Guaranteed Success.** Marketing campaigns may incur upfront expenses that hold no promise of future success. This is also true of market research

studies, where time, effort, and resources are poured into a study that may yield no usable or helpful results.

- **Customer Bias.** Loyal, long-time customers need no enticing to buy a company's brand or product. However, newer, uninitiated customers may. Marketing naturally is biased towards non-loyal patrons as those who already support the company would be better served by further investment in product improvement.
- **Cost.** Marketing campaigns may be expensive. Digital marketing campaigns may be labor-intensive to set up and costly to maintain the scheduling, implementation, and execution of the plan. Don't forget about the headlines that promote Super Bowl commercial expenses in the millions.
- **Economy-Dependent.** Marketing is most successful when people have capital to spend. Though marketing can create non-financial benefits such as brand loyalty and product recognition, the ultimate goal is to drive sales. During unfavorable macroeconomic conditions when unemployment is high or recession concerns are elevated, consumers may be less likely to spend no matter how great a marketing campaign may be.

What Is Marketing?

Marketing is a division of a company, product line, individual, or entity that promotes its service. Marketing attempts to encourage market participants to buy their product and commit loyalty to a specific company.

Why Is Marketing So Important?

Marketing is important for a few reasons. First, marketing campaigns may be the first time a customer interacts or is exposed to a company's product. A company has the opportunity to educate, promote, and encourage potential buyers.

Marketing also helps shape the brand image a company wants to convey. For example, an outdoor camping gear company that wants to be known for its rugged, tough goods can embark on specific campaigns that embody these traits and make these emotions memorable to prospective customers.

What Is the Purpose of Marketing?

An important goal of marketing is propelling a company's growth. This can be seen through attracting and retaining new customers.

Companies may apply many different marketing strategies to achieve these goals. For instance, matching products with customers' needs could involve personalization, prediction, and essentially knowing the right problem to solve.

Another strategy is creating value through the customer experience. This is demonstrated through efforts to elevate customer satisfaction and remove any difficulties with the product or service.

B2B and B2C marketing

The two major segments of marketing are business-to-business (B2B) marketing and business-to-consumer (B2C) marketing.

B2B marketing

B2B (business-to-business) marketing refers to any marketing strategy or content that is geared towards a business or organization. Any company that sells products or services to other businesses or organizations (vs. consumers) typically uses B2B marketing strategies. The 7 P's of B2B marketing are: product, price, place, promotion, people, process, and physical evidence. Some of the trends in B2B marketing include content such as podcasts, videos, and social media marketing campaigns.

Examples of products sold through B2B marketing include:

- Major equipment
- Accessory equipment
- Raw materials

- Component parts
- Processed materials
- Supplies
- Venues
- Business services

The four major categories of B2B product purchasers are:

- Producers- use products sold by B2B marketing to make their own goods (e.g.: Mattel buying plastics to make toys)
- Resellers- buy B2B products to sell through retail or wholesale establishments (e.g.: Walmart buying vacuums to sell in stores)
- Governments- buy B2B products for use in government projects (e.g.: purchasing weather monitoring equipment for a wastewater treatment plant)
- Institutions- use B2B products to continue operation (e.g.: schools buying printers for office use)

B2C marketing

Business-to-consumer marketing, or B2C marketing, refers to the tactics and strategies in which a company promotes its products and services to individual people.

Traditionally, this could refer to individuals shopping for personal products in a broad sense. More recently the term B2C refers to the online selling of consumer products.

C2B marketing

Consumer-to-business marketing or C2B marketing is a business model where the end consumers create products and services which are consumed by businesses and organizations. It is diametrically opposed to the popular concept of B2C or Business-to- Consumer where the companies make goods and services available to the end consumers. In this type of business model, businesses profit from consumers' willingness to name their own price or contribute data or marketing to the company, while consumers benefit from flexibility, direct payment, or free or reduced-price products and services. One of the major benefit of this type of business model is that it offers a company a competitive advantage in the market.

C2C marketing

Customer to customer marketing or C2C marketing represents a market environment where one customer purchases goods from another customer using a third-party business or platform to facilitate the transaction. C2C companies are a new type of model that has emerged with e-commerce technology and the sharing economy.

Differences in B2B and B2C marketing

The different goals of B2B and B2C marketing lead to differences in the B2B and B2C markets. The main differences in these markets are demand, purchasing volume, number of customers, customer concentration, distribution, buying nature, buying influences, negotiations, reciprocity, leasing and promotional methods.

- Demand: B2B demand is derived because businesses buy products based on how much demand there is for the final consumer product. Businesses buy products based on customer's wants and needs. B2C demand is primarily because customers buy products based on their own wants and needs.
- Purchasing volume: Businesses buy products in large volumes to distribute to consumers. Consumers buy products in smaller volumes suitable for personal use.
- Number of customers: There are relatively fewer businesses to market to than direct consumers.
- Customer concentration: Businesses that specialize in a particular market tend to be geographically concentrated while customers that buy products from these businesses are not concentrated.
- Distribution: B2B products pass directly from the producer of the product to the business while B2C products must additionally go through a wholesaler or retailer.

- Buying nature: B2B purchasing is a formal process done by professional buyers and sellers, while B2C purchasing is informal.
- Buying influences: B2B purchasing is influenced by multiple people in various departments such as quality control, accounting, and logistics while B2C marketing is only influenced by the person making the purchase and possibly a few others.
- Negotiations: In B2B marketing, negotiating for lower prices or added benefits is commonly accepted while in B2C marketing (particularly in Western cultures) prices are fixed.
- Reciprocity: Businesses tend to buy from businesses they sell to. For example, a business that sells printer ink is more likely to buy office chairs from a supplier that buys the business's printer ink. In B2C marketing, this does not occur because consumers are not also selling products.
- Leasing: Businesses tend to lease expensive items while consumers tend to save up to buy expensive items.
- Promotional methods: In B2B marketing, the most common promotional method is personal selling. B2C marketing mostly uses sales promotion, public relations, advertising, and social media.

Marketing management orientations

A marketing orientation has been defined as a "philosophy of business management." or "a corporate state of mind" or as an "organizational culture" Although scholars continue to debate the precise nature of specific concepts that inform marketing practice, the most commonly cited orientations are as follows:

- Product concept: mainly concerned with the quality of its product. It has largely been supplanted by the marketing orientation, except for haute couture and arts marketing.
- Production concept: specializes in producing as much as possible of a given product or service in order to achieve economies of scale or economies of scope. It dominated marketing practice from the 1860s to the 1930s, yet can still be

found in some companies or industries. Specifically, Kotler and Armstrong note that the production philosophy is "one of the oldest philosophies that guides sellers... [and] is still useful in some situations."

- Selling concept: focuses on the selling/promotion of the firm's existing products, rather than developing new products to satisfy unmet needs or wants primarily through promotion and direct sales techniques, largely for "unsought goods" in industrial companies. A 2011 meta analyses found that the factors with the greatest impact on sales performance are a salesperson's sales related knowledge (market segments, presentation skills, conflict resolution, and products), degree of adaptiveness, role clarity, cognitive aptitude, motivation and interest in a sales role).

- Marketing concept: This is the most common concept used in contemporary marketing, and is a customer-centric approach based on products that suit new consumer tastes. These firm engage in extensive market research, use R&D (Research & Development), and then use promotion techniques. The marketing orientation includes:
    - *Customer orientation*: A firm in the market economy can survive by producing goods that people are willing and able to buy. Consequently, ascertaining consumer demand is vital for a firm's future viability and even existence as a going concern.
    - *Organizational orientation*: The marketing department is of prime importance within the functional level of an organization. Information from the marketing department is used to guide the actions of a company's other departments. A marketing department could ascertain (via marketing research) that consumers desired a new type of product, or a new usage for an existing product. With this in mind, the marketing department would inform the R&D department to create a prototype of a product/service based on consumers' new desires. The production department would then start to manufacture the product. The finance department may oppose required

capital expenditures since it could undermine a healthy cash flow for the organization.

- Societal marketing concept: Social responsibility that goes beyond satisfying customers and providing superior value embraces societal stakeholders such as employees, customers, and local communities. Companies that adopt this perspective typically practice triple bottom line reporting and publish financial, social and environmental impact reports. Sustainable marketing or green marketing is an extension of societal marketing.

Definition of Marketing Mix

The marketing mix is defined by the use of a marketing tool that combines a number of components in order to become harden and solidify a product's brand and to help in selling the product or service. Product based companies have to come up with strategies to sell their products, and coming up with a marketing mix is one of them.

What is Marketing Mix?

Marketing Mix is a set of marketing tool or tactics, used to promote a product or services in the market and sell it. It is about positioning a product and deciding it to sell in the right place, at the right price and right time. The product will then be sold, according to marketing and promotional strategy. The components of the marketing mix consist of 4Ps Product, Price, Place, and Promotion. In the business sector, the marketing managers plan a marketing strategy taking into consideration all the 4Ps. However, nowadays, the marketing mix increasingly includes several other Ps for vital development.

What is 4 P of Marketing

A product is a commodity, produced or built to satisfy the need of an individual or a group. The product can be intangible or tangible as it can be in the form of services or goods. It is important to do extensive research before developing a product as it has a fluctuating life cycle, from the growth phase to the maturity phase to the sales decline phase.

A product has a certain life cycle that includes the growth phase, the maturity phase, and the sales decline phase. It is important for marketers to reinvent their products to stimulate more demand once it reaches the sales decline phase. It should create an impact in the mind of the customers, which is exclusive and different from the competitor's product. There is an old saying stating for marketers, "what can I do to offer a better product to this group of people than my competitors". This strategy also helps the company to build brand value.

Place in Marketing Mix:

Placement or distribution is a very important part of the marketing mix strategy. We should position and distribute our product in a place that is easily accessible to potential buyers/customers.

Promotion in Marketing Mix:

It is a marketing communication process that helps the company to publicize the product and its features to the public. It is the most expensive and essential components of the marketing mix, that helps to grab the attention of the customers and influence them to buy the product. Most of the marketers use promotion tactics to promote their product and reach out to the public or the target audience. The promotion might include direct marketing, advertising, personal branding, sales promotion, etc.

What is 7 P of Marketing:

The 7Ps model is a marketing model that modifies the 4Ps model. As Marketing mix 4P is becoming an old trend, and nowadays, marketing business needs deep understanding of the rise in new technology and concept. So, 3 more new P's were added in the old 4Ps model to give a deep understanding of the concept of the marketing mix.

People in Marketing Mix:

The company's employees are important in marketing because they are the ones who deliver the service to clients. It is important to hire and train the right people to deliver superior service to the clients, whether they run a support desk, customer service, copywriters, programmers…etc. It is very important to find people who genuinely believe in the products or services that the particular business creates, as there is a huge chance of giving their best performance. Adding to it, the organisation should accept the honest feedback from the employees about the business and should input their own thoughts and passions which can scale and grow the business.

Process in Marketing Mix:

We should always make sure that the business process is well structured and verified regularly to avoid mistakes and minimize costs. To maximise the profit, Its important to tighten up the enhancement process.

Physical Evidence in Marketing Mix:

In the service industries, there should be physical evidence that the service was delivered. A concept of this is branding. For example, when you think of "fast food", you think of KFC. When you think of sports, the names Nike and Adidas come to mind.

Marketing Mix Example:

This article will go through a marketing mix example of a popular cereals company. At first, the company targeted older individuals who need to keep their diet under control, this product was introduced. However, after intense research, they later discovered that even young people need to have a healthy diet. So, this led to the development of a cereals product catered to young people. In accordance with all the elements of the marketing mix strategy, the company identified the product, priced it correctly, did tremendous promotions and availed it to the customers. This marketing mix example belongs to Honeycomb, one of the most renowned companies in the cereal niche. Following these rules clearly has managed to make the company untouchable by all the other competitors in the market. *This makes Honeycomb, the giant we know and love today to eat as morning breakfast!*

Marketing Mix Product

All products can be broadly classified into 3 main categories. These are :

1. **Tangible products:** These are items with an actual physical presence such as a car, an electronic device, and an item of clothing or a consumer good.
2. **Intangible products:** These are items that have no physical presence but can be felt indirectly. An insurance policy is an example of this. Online items such as software, applications or even music and video files are also intangible products.
3. **Services:** Services are also intangible products but they are the result of an economic activity that does not result in ownership. It is a process that creates benefits for customers. Services depend highly on who is performing them and remain difficult to reproduce exactly.

Importance of Marketing Mix

The marketing mix is a remarkable tool for creating the right marketing strategy and its implementation through effective tactics. The assessment of the roles of your product, promotion, price, and place plays a vital part in your overall marketing approach. Whereas the marketing mix strategy goes hand in hand with positioning, targeting, and segmentation. And at last, all the elements, included in the marketing mix and the extended marketing mix, have an interaction with one another.

The 4 Ps are key elements to determine which marketing strategy to follow. First, the marketers should clearly agree on what product or service to offer and how will it serve the customers (Product). Then, the location where to deliver and make the product available to the target market should be chosen (Place). Next, the price is determined based on the costs and customers' perception. Finally, the product is communicated and promoted via different channels like TV, online ads, sales promotion and so on (Promotion).

What are the 4 P's of Marketing?

The "4 P's of Marketing" refer to the four key elements comprising the process of marketing a product or service. They involve the marketing mix, which is a set of tools that a company uses to influence consumers into buying its product. The marketing mix addresses factors such as:

- Understanding the needs or desires of consumers
- Identifying the cause of the failure of the current product offering
- Finding ways to solve said problems and change public perception of the product/service
- Creating distinguishing characteristics to increase competitive advantage
- Understanding how the product interacts with consumers and vice versa

History of the 4 P's of Marketing

The individual who conceptualized the 4 P's of Marketing was a Harvard University professor named Neil Borden. In 1964, Borden introduced the idea in one of his published articles called "The Concept of the Marketing Mix." he mentioned that many companies could use the framework to increase the likelihood of their success when advertising their products.

1. Product

A product is any good or service that fulfills consumer needs or desires. It can also be defined as a bundle of utilities that comes with physical aspects such as design, volume, brand name, etc. The type of product impacts its perceived value, which allows companies to price it profitably. It also affects other aspects such as product placement and advertisements.

Companies can change the packaging, after-sales service, warranties, and price range, or expand to new markets to meet their objectives. Marketers must understand the product life cycle and come up with strategies for every stage in the life cycle, i.e., introduction, growth, maturity, and decline.

The first step in the marketing mix is to manufacture the product, which can either be a good or a service offered to customers by the company. A product can either respond to an existing demand or fulfill a demand that is identified when a product is appealing to consumers. This demand exists when customers feel the need and the desire to purchase it. Successful marketers start by looking into the life cycle of the product first. A plan is required to match the product to each different phase of its life cycle. Studying the product is also important as it implies how much customers should pay, where should they buy it, and how will they know about it.

Following are some questions to define the right product strategy for a company:

- What need does the customer want to satisfy?
- What features need to be included for the use of the product?
- What will the product look like (size, color, ...)?
- What is it going to be called?
- How will this product be different from the offer of competitors?

Products that are first in the market might be very successful if the product is well defined. For instance, Apple was the first company to sell a touchscreen smartphone with internet, music, and phone calls. The sales were so high that in 2018, Apple declared that they were close to selling two billionths of its iOS device. Therefore, it is important for companies to **develop different features to make a product innovative**.

2. Price

The price of a product directly influences sales volume and, consequently, business profits. Demand, cost, pricing trends among competitors, and government regulations are crucial factors that determine pricing. Price usually reflects the product's perceived value rather than its real value. This means that pricing can be increased to promote exclusivity or reduced to create access.

Thus, pricing involves making decisions in terms of the basic price, discounts, price alteration, credit terms, freight payments, etc. It is also important to analyze when and if techniques like discounting are required or appropriate.

3. Promotion

Promotion involves decisions related to advertising, salesforce, direct marketing, public relations, advertising budgets, etc. The primary aim of promotion is to spread awareness about the product and services offered by a company. It helps in persuading consumers to choose a particular product over others in the market. Promotional efforts include the following:

- **Advertising**: A means of selling a product, service, or idea through communicating a sponsored, non-personal message about the product.
- **Public relations**: Involves management and control of the flow and matter of information from one's organization to the general public or other institutions.
- **Marketing strategy**: Involves identifying the right target market and using tools such as advertising to penetrate the said market. Promotion also includes online factors such as determining the class of search functions on Google that may trigger corresponding or targeted ads for the product, the

design and layout of a company's webpage, or the content posted on social media handles such as Twitter and Instagram.

4. Place (or Distribution)

Place involves choosing the place where products are to be made available for sale. The primary motive of managing trade channels is to ensure that the product is readily available to the customer at the right time and place. It also involves decisions regarding the placing and pricing of wholesale and retail outlets.

Distribution channels such as outsourcing or company transport fleets are decided upon after cost-benefit analysis. Small details such as shelf space committed to the product by department stores are also included.

Extensions to the 4 P's of Marketing

New marketers recommend expanding the 4 P's of Marketing to include services as well. They include:

- **People**: Servicing involves a direct interaction of service providers and consumers, which increases the scope for subjectivity. Appearances, communication, discretion, consumer interaction, behavior, and attitude of service are important aspects.
- **Physical Evidence**: Atmosphere, layout, and design of the workplace can largely impact the brand image of a product.
- **Process**: Standardized procedures are usually adopted in cases of policy, procedures, systems, and consumer involvement to create continuity while delivering services.

Difference between 7Ps and 4Ps marketing

The difference between the 7Ps and 4Ps of marketing lies in their comprehensiveness. While the 4Ps (Product, Price, Place, Promotion) are the traditional marketing mix elements, the 7Ps include additional factors like People, Processes, and Physical evidence. The 7Ps offer a more holistic approach, considering aspects beyond the product and its promotion, such as customer experience and service delivery.

Ever found yourself caught in the whirlwind of marketing strategies, wondering about the secret sauce behind successful campaigns? The marketing mix, a term rooted in the very essence of marketing, has undergone a fascinating evolution over the years. Initially, the 4Ps—Product, Price, Place, and Promotion—stood as the pillars of this strategic framework.

However, as the marketing evolved, so did the need for an expanded perspective, leading to the introduction of the 7Ps model. In this article we want to point out how the 7Ps model differentiate itself from the former 4Ps.

The Timeless 4Ps: Foundations of Marketing Brilliance

In the annals of marketing history, the 4Ps have reigned supreme since their inception in 1960 by E. Jerome McCarthy. These pillars—Product, Price, Place, and Promotion—have been the guiding lights for marketers, shaping how products and services are conceptualized, priced, distributed, and promoted. The concept is simple yet powerful, emphasizing the need for a well-rounded approach to bring a product into the market. Consider it as the classic recipe for marketing success, where each "P" contributes to the final dish that is a compelling brand presence.

Product: Crafting the Essence of Appeal

The first "P" in the marketing mix, Product, is akin to the canvas upon which a brand paints its narrative. It encompasses not just the tangible item but also its features, design, and overall identity.

Think of Apple's sleek iPhones or Nike's innovative sportswear—products that transcend functionality and become symbols of lifestyle. In a world driven by consumer choices, a product's success hinges on its ability to resonate with the target audience, addressing their needs and aspirations.

The art lies in creating not just a commodity but an experience that customers willingly embrace.

Price: Striking the Harmonious Balance

Moving on to the second "P" in the marketing symphony—Price. Here, the challenge is to determine the sweet spot that aligns with both customer expectations and the company's profitability goals.

Pricing is a delicate dance, where setting it too high might alienate budget-conscious consumers, while pricing it too low might raise questions about quality.

Consider Zara's affordable yet trendy fashion, where the price point harmonizes with the target market's desire for both style and savings. The 4Ps model underscores the importance of not just selling a product but also strategically positioning it in the market through pricing.

Place: Navigating the Channels of Accessibility

Place, the third "P," takes us on a journey through the distribution channels, exploring how a product reaches its intended audience. It's not just about being on the shelves; it's about being where your customers are.

Amazon, with its seamless online marketplace, has redefined the concept of place, offering unparalleled accessibility. The physical and virtual landscapes become avenues for brands to connect with consumers, and mastering this aspect ensures that the product is not just present but available where it matters most.

Promotion: Weaving the Tapestry of Awareness

The final act in the 4Ps symphony—Promotion. This is where the spotlight shines on creating awareness, sparking desire, and ultimately driving action. Promotion is the storyteller, using various mediums such as advertising, public relations, and social media to weave a narrative that captivates the audience.

Think of Coca-Cola's timeless holiday commercials, transcending the beverage to become a symbol of joy and celebration. In the 4Ps era, effective promotion wasn't just about selling a product; it was about selling an experience, a lifestyle, or even an emotion.

The Evolving 7Ps: Unveiling a Holistic Approach

In the late '70s, the marketing world recognized the need for an update, giving rise to the 7Ps model. Booms & Bitner, in 1981, expanded the traditional 4Ps by incorporating three new elements—People, Process, and Physical Evidence.

These additions aimed to infuse a human-centric and experiential dimension into the marketing mix, acknowledging the evolving dynamics of consumer behavior and market trends.

People: Elevating the Human Touch

The first addition, People, acknowledges that every interaction between a customer and a company's representative leaves an imprint. Whether it's the friendly barista at Starbucks or the helpful customer service agent resolving an issue, people become an integral part of the brand experience.

Southwest Airlines, with its emphasis on exceptional customer service, exemplifies how the People element contributes to a positive brand image.

Process: Streamlining Efficiency for Excellence

Process delves into the efficiency of the systems and procedures that facilitate the delivery of a product or service. Often overlooked, this "P" ensures that the customer's journey, from purchase to post-sales support, is seamless.

Starbucks' streamlined process of taking orders, preparing beverages, and maintaining a cozy ambiance is a testament to how an efficient process contributes to a consistent and positive brand experience.

Physical Evidence: Building Trust through Tangibility

The final addition, Physical Evidence, introduces tangible clues that reinforce a customer's trust in the brand. It includes everything from packaging and branding to the overall environment where a service is delivered.

Luxury brands like Rolex strategically use physical evidence, from meticulous craftsmanship to exclusive packaging, to create a perception of exclusivity and quality. This tangible evidence becomes a silent ambassador, reassuring customers about the value they are investing in.

Striking the Right Chord: Integrating 4Ps and 7Ps

Businesses face the challenge of choosing between the classic 4Ps and the extended 7Ps. Striking a harmonious balance becomes paramount, aligning the marketing mix with the unique needs and goals of the business. The 4Ps, with their focus on product development, pricing strategy, distribution channels, and promotion, form the foundational elements that resonate well with businesses offering standard products.

On the flip side, the 7Ps inject a human touch, emphasizing the importance of people, efficient processes, and tangible evidence. This extended model proves invaluable for businesses dealing in specialized services or highly differentiated products, where customer experience and after-sales support play pivotal roles in shaping satisfaction.

Criticisms

One of the limitations of the 4Ps approach is its emphasis on an inside-out view.An *inside-out* approach is the traditional planning approach where the organization identifies its desired goals and objectives, which are often based around what has always been done. Marketing's task then becomes one of "selling" the organization's products and messages to the "outside" or external stakeholders. In contrast, an *outside-in* approach first seeks to understand the needs and wants of the consumer.

From a model-building perspective, the 4 Ps has attracted a number of criticisms. Well-designed models should exhibit clearly defined categories that are mutually exclusive, with no overlap. Yet, the 4 Ps model has extensive overlapping problems. Several authors stress the hybrid nature of the fourth P, mentioning the presence of two important dimensions, "communication" (general and informative communications such as public relations and corporate communications) and "promotion" (persuasive communications such as advertising and direct selling). Certain marketing activities, such as personal selling, may be classified as either *promotion* or as part of the place (i.e., distribution) element. Some pricing tactics, such as promotional pricing, can be classified as price variables or promotional variables and, therefore, also exhibit some overlap.

Other important criticisms include that the marketing mix lacks a strategic framework and is, therefore, unfit to be a planning instrument, particularly when uncontrollable, external elements are an important aspect of the marketing environment.

Modifications and extensions

To overcome the deficiencies of the 4P model, some authors have suggested extensions or modifications to the original model. Extensions of the four P's are often included in cases such as services marketing where unique characteristics (i.e. intangibility, perishability, heterogeneity and the inseparability of production and consumption) warrant additional consideration factors. Other extensions have been found necessary for retail marketing, industrial marketing, and internet marketing

include "people", "process", and "physical evidence" and are often applied in the case of services marketing Other extensions have been found necessary in retail marketing, industrial marketing and internet marketing.

The 4Cs

In response to environmental and technological changes in marketing, as well as criticisms towards the 4Ps approach, the 4Cs has emerged as a modern marketing mix model. Robert F. Lauterborn proposed a 4 Cs classification in 1990.His classification is a more consumer-orientated version of the 4 Ps that attempts to better fit the movement from mass marketing to niche marketing

Outline

Consumer (or client)

The consumer refers to the person or group that will acquire the product. This aspect of the model focuses on fulfilling the wants or needs of the consumer.

Cost

Cost refers to what is exchanged in return for the product. Cost mainly consists of the monetary value of the product. Cost also refers to anything else the consumer must sacrifice to attain the product, such as time or money spent on transportation to acquire the product.

Convenience

Like "Place" in the 4Ps model, convenience refers to where the product will be sold. This, however, not only refers to physical stores but also whether the product is available in person or online. The convenience aspect emphasizes making it as easy as possible for the consumer to attain the product, thus making them more likely to do so.

Communication

Like "Promotion" in the 4Ps model, communication refers to how consumers find out about a product. Unlike promotion, communication not only refers to the one-way communication of advertising, but also the two-way communication available through social media.

Environment

The term "marketing environment" relates to all of the factors (whether internal, external, direct or indirect) that affect a firm's marketing decision-making/planning. A firm's marketing environment consists of three main areas, which are:

- The macro-environment (Macromarketing), over which a firm holds little control, consists of a variety of external factors that manifest on a large (or macro) scale. These include: economic, social, political and technological factors. A common method of assessing a firm's macro-environment is via a PESTLE (Political, Economic, Social, Technological, Legal, Ecological) analysis. Within a PESTLE analysis, a firm would analyze national political issues, culture and climate, key macroeconomic conditions, health and indicators (such as economic growth, inflation, unemployment, etc.), social trends/attitudes, and the nature of technology's impact on its society and the business processes within the society.
- The micro-environment, over which a firm holds a greater amount (though not necessarily total) control, typically includes: Customers/consumers, Employees, Suppliers and the Media. In contrast to the macro-environment, an organization holds a greater (though not complete) degree of control over these factors.
- The internal environment, which includes the factors inside of the company itself A firm's internal environment consists

  Labor, Inventory, Company Policy, Logistics, Budget, and Capital Assets.

Research

Marketing research is a systematic process of analyzing data that involves conducting research to support marketing activities and the statistical interpretation of data into information. This information is then used by managers to plan marketing activities, gauge the nature of a firm's marketing environment and to attain information from suppliers. A distinction should be made between ***marketing*** research and ***market*** research. Market research involves gathering information about a particular target market. As an example, a firm may conduct research in a target market, after selecting a suitable market segment. In contrast, marketing research relates to all research conducted within marketing. Market research is a subset of marketing research. (Avoiding the word consumer, which shows up in both, market research is about distribution, while marketing research encompasses distribution, advertising effectiveness, and salesforce effectiveness).

The stages of research include:

- Define the problem
- Plan research
- Research
- Interpret data
- Implement findings

Segmentation

Market segmentation consists of taking the total heterogeneous market for a product and dividing it into several sub-markets or segments, each of which tends to be homogeneous in all significant aspects. The process is conducted for two main purposes: better allocation of a firm's finite resources and to better serve the more diversified tastes of contemporary consumers. A firm only possesses a certain amount of resources. Thus, it must make choices (and appreciate the related costs) in servicing specific groups of consumers. Moreover, with more diversity in the tastes of modern consumers, firms are noting the benefit of servicing a multiplicity of new markets.

Market segmentation can be defined in terms of the STP acronym, meaning Segmentation, Targeting, and Positioning.

Segmentation involves the initial splitting up of consumers into persons of like needs/wants/tastes. Commonly used criteria include:

- **Geographic** (such as a country, region, city, town)
- **Psychographic** (e.g. personality traits or lifestyle traits which influence consumer behaviour)
- **Demographic** (e.g. age, gender, socio-economic class, education)
- **Gender**
- **Income**
- **Life-Cycle** (e.g. Baby Boomer, Generation X, Millennial, Generation Z)
- **Lifestyle** (e.g. tech savvy, active)
- **Behavioral** (e.g. brand loyalty, usage rate)

Once a segment has been identified to target, a firm must ascertain whether the segment is beneficial for them to service. The *DAMP* acronym is used as criteria to gauge the viability of a target market. The elements of DAMP are:

- **Discernable –** how a segment can be differentiated from other segments.
- **Accessible –** how a segment can be accessed via Marketing Communications produced by a firm
- **Measurable –** can the segment be quantified and its size determined?
- **Profitable –** can a sufficient return on investment be attained from a segment's servicing?

The next step in the targeting process is the level of differentiation involved in a segment serving. Three modes of differentiation exist, which are commonly applied by firms. These are:

- **Undifferentiated –** where a company produces a like product for all of a market segment

- **Differentiated** – in which a firm produced slight modifications of a product within a segment
- **Niche** – in which an organization forges a product to satisfy a specialized target market

Positioning concerns how to position a product in the minds of consumers and inform what attributes differentiate it from the competitor's products. A firm often performs this by producing a perceptual map, which denotes similar products produced in the same industry according to how consumers perceive their price and quality. From a product's placing on the map, a firm would tailor its marketing communications to meld with the product's perception among consumers and its position among competitors' offering.

Promotional mix

The promotional mix outlines how a company will market its product. It consists of five tools: personal selling, sales promotion, public relations, advertising and social media

- Personal selling involves a presentation given by a salesperson to an individual or a group of potential customers. It enables two-way communication and relationship building, and is most commonly seen in business-to-business marketing but can also be found in business-to-consumer marketing (e.g.: selling cars at a dealership).

  Personal selling: Young female beer sellers admonish the photographer that he also has to buy some,
  Tireli market, Mali 1989

- Sales promotion involves short-term incentives to encourage the buying of products. Examples of these incentives include free samples, contests, premiums, trade shows, giveaways, coupons, sweepstakes and games. Depending on the incentive, one or more of the other elements of the promotional mix may be used in conjunction with sales promotion to inform customers of the incentives.

- Public relations is the use of media tools to promote and monitor for a positive view of a company or product in the public's eye. The goal is to either sustain a positive opinion or lessen or change a negative opinion. It can include interviews, speeches/presentations, corporate literature, social media, news releases and special events.
- Advertising occurs when a firm directly pays a media channel, directly via an in-house agency or via an advertising agency or media buying service, to publicize its product, service or message. Common examples of advertising media include:

- TV
- Radio
- Magazines
- Online
- Billboards
- Event sponsorship
- Direct mail
- Transit ads

The marketing plan

The area of marketing planning involves forging a plan for a firm's marketing activities. A marketing plan can also pertain to a specific product, as well as to an organization's overall marketing strategy. An organization's marketing planning process is derived from its overall business strategy. Thus, when top management is devising the firm's strategic direction/mission, the intended marketing activities are incorporated into this plan.

Outline of the marketing plan

Within the overall strategic marketing plan, the stages of the process are listed as thus:

- Executive Summary
- Current marketing situation
- Threats and opportunities analysis
- Objectives and issues
- Marketing Strategy
- Action programs
- Budgets
- Control

Levels of marketing objectives within an organization

As stated previously, the senior management of a firm would formulate a general business strategy for a firm. However, this general business strategy would be interpreted and implemented in different contexts throughout the firm.

At the corporate level, marketing objectives are typically broad-based in nature, and pertain to the general vision of the firm in the short, medium or long-term. As an example, if one pictures a group of companies (or a conglomerate), top management may state that sales for the group should increase by 25% over a ten-year period.

A **strategic business unit** (SBU) is a subsidiary within a firm, which participates within a given market/industry. The SBU would embrace the corporate strategy, and attune it to its own particular industry. For instance, an SBU may partake in the sports goods industry. It thus would ascertain how it would attain additional sales of sports goods, in order to satisfy the overall business strategy.

The **functional** level relates to departments within the SBUs, such as marketing, finance, HR, production, etc. The functional level would adopt the SBU's strategy and determine how to accomplish the SBU's own objectives in its market. To use the example of the sports goods industry again, the marketing department would draw up marketing plans, strategies and communications to help the SBU achieve its marketing aims.

Product life cycle

Product lifecycle, with the assumption of four major phases: introduction, growth, maturity, and decline. Curve of sales as a function of the time of the product on the market. After a plateau in sales at product maturity, a steep decline can follow.

The product life cycle (PLC) is a tool used by marketing managers to gauge the progress of a product, especially relating to sales or revenue accrued over time. The PLC is based on a few key assumptions, including:

- A given product would possess introduction, growth, maturity, and decline stage
- No product lasts perpetually on the market
- A firm must employ differing strategies, according to where a product is on the PLC

In the **introduction** stage, a product is launched onto the market. To stimulate the growth of sales/revenue, use of advertising may be high, in order to heighten awareness of the product in question.

During the **growth** stage, the product's sales/revenue is increasing, which may stimulate more marketing communications to sustain sales. More entrants enter into the market, to reap the apparent high profits that the industry is producing.

When the product hits **maturity**, its starts to level off, and an increasing number of entrants to a market produce price falls for the product. Firms may use sales promotions to raise sales.

During **decline**, demand for a good begins to taper off, and the firm may opt to discontinue the manufacture of the product. This is so, if revenue for the product comes from efficiency savings in production, over actual sales of a good/service. However, if a product services a niche market, or is complementary to another product, it may continue the manufacture of the product, despite a low level of sales/revenue being accrued.