



# SNS B-SPINE

Coimbatore-35  
An Autonomous Institution

DEPARTMENT OF MANAGEMENT STUDIES

23BAT607 – MARKETING MANAGEMENT

I YEAR I SEM

UNIT 3 – STP AND MARKETING MIX

TOPIC 1 – Marketing Mix

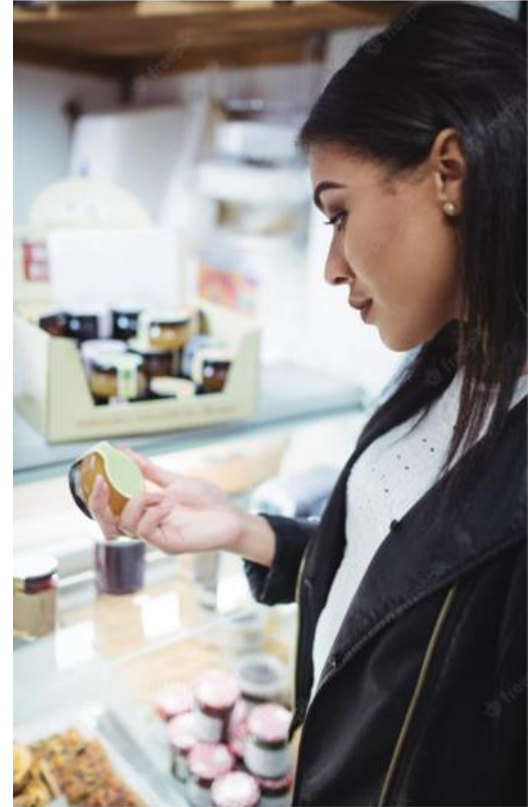
# Learning Outcome

## Marketing Mix

- Product
- Price
- Place
- Promotion

## Extended Marketing Mix

- People
- Process
- Physical Evidence



# Introduction

- In this session, we will explore how the 7 Ps framework can drive your business towards success in the competitive market.
- Get ready to discover the key elements that contribute to effective marketing strategies.



# Marketing Mix

The marketing mix is a combination of marketing elements used by business to enable it to meet the needs and expectations of the customers.

The marketing mix refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market.

It consists of the 4Ps: Product, Price, Place, and Promotion.

Why is it called as a Mix?

- Each element is related to other
- Elements of the mix should work together to achieve the desired effect

# Product



The product is the core offering of your business.

It represents what you sell and how it satisfies customer needs.





- This includes the features, design, packaging, quality, and branding of the product. It involves understanding customer needs and preferences to create a product that meets those requirements and provides value.

Examples:

- Apple iPhone with its sleek design and innovative features
- Nike sneakers known for their performance and style
- Coca-Cola with its iconic branding and taste

# Price





Setting the price strategically is crucial for business success.

We will explore various pricing strategies, such as cost-based pricing, value-based pricing, and competitive pricing.



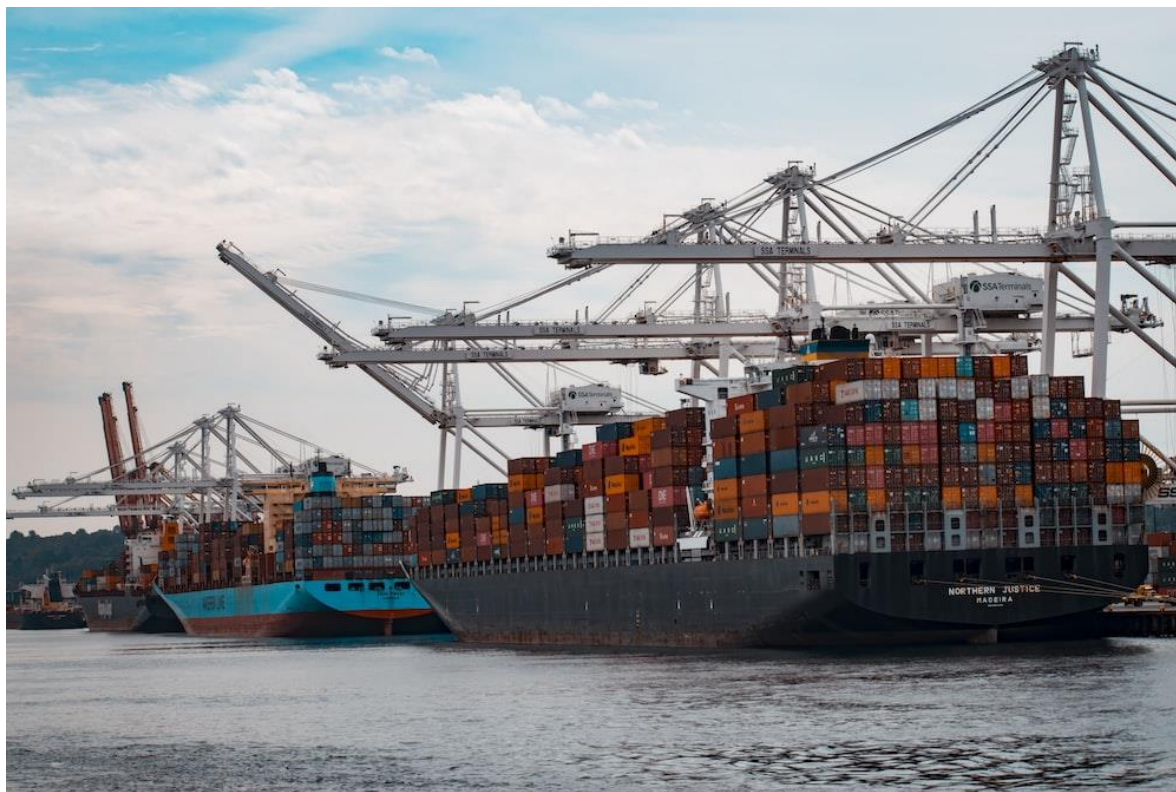


- **Cost-based Pricing:** This strategy involves calculating the total cost of producing a product or delivering a service and then adding a markup to determine the selling price. It ensures that the price covers the expenses and provides a desired profit margin.
- **Market-based Pricing:** This strategy takes into account the current market conditions and competitors' prices. Businesses analyze the pricing of similar products or services in the market and set their prices accordingly. They may choose to price their offerings at, above, or below the market average based on factors such as quality, features, and brand positioning.
- **Value-based Pricing:** With this strategy, the price is determined by the perceived value of the product or service to the customer. Instead of focusing solely on costs or competition, businesses consider the benefits and unique value proposition their offering provides to customers. Premium pricing is often associated with this strategy.

- **Penetration Pricing:** This strategy involves setting a relatively low initial price to enter a market and gain market share rapidly. The aim is to attract customers with an attractive price and capture a significant portion of the market. Over time, prices may be increased to improve profitability.
- **Skimming Pricing:** In contrast to penetration pricing, skimming pricing involves setting a high initial price for a unique or innovative product. This strategy targets early adopters and customers who are willing to pay a premium for a new product or technology. The price is gradually lowered as the product becomes more established or faces competition.
- **Psychological Pricing:** This strategy takes advantage of psychological factors to influence customer perception of price. It includes tactics such as setting prices just below a round number (e.g., \$9.99 instead of \$10) or using price endings like .99 or .95. These pricing techniques create the perception of a lower price and can increase sales.

- **Dynamic Pricing:** Also known as surge pricing or demand-based pricing, this strategy involves adjusting prices based on real-time market conditions, demand, or other factors. It is often used in industries such as transportation, hospitality, and e-commerce. Prices can fluctuate based on factors like time of day, day of the week, or customer segment.
- **Bundle Pricing:** This strategy involves offering multiple products or services together as a package at a discounted price compared to buying them individually. It incentivizes customers to purchase more items, increases the perceived value, and can lead to higher overall revenue.
- **Freemium Pricing:** This strategy is commonly used in software and online services. The basic version of the product or service is offered for free, attracting a wide user base. Premium features or additional functionality are then offered at a cost, targeting customers who are willing to pay for enhanced value or advanced features.

# Place



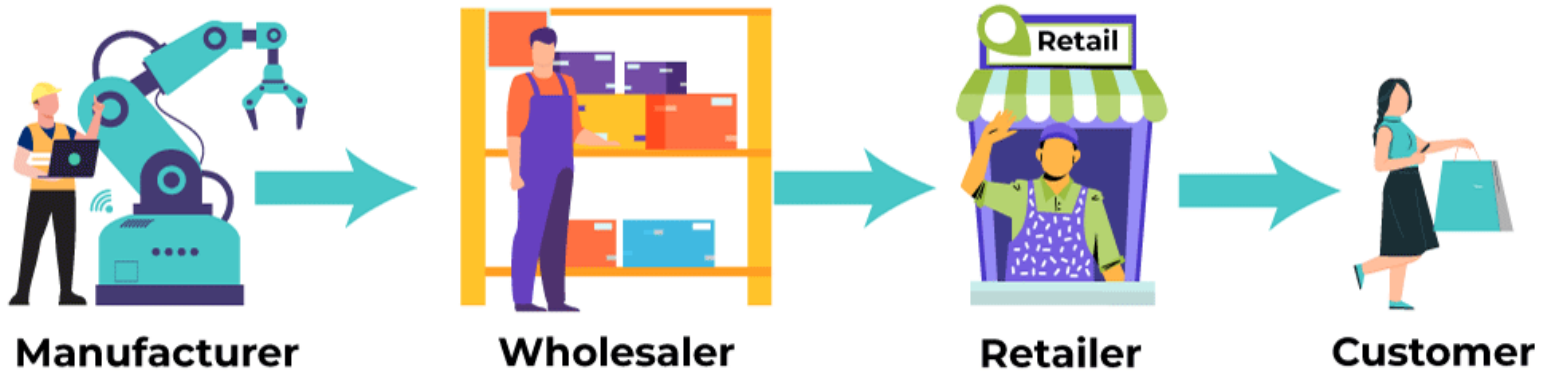


# Place

- Place, also known as distribution, refers to the process of making the product or service available to the target market.
- It involves decisions and activities related to the physical distribution, selection of distribution channels, inventory management, logistics, warehousing, transportation, and order fulfillment.

# Distribution Channels

- Distribution channels are the routes or pathways through which products or services reach the end consumers.



- **Direct Distribution:** Selling products directly to customers without intermediaries. Examples include company-owned stores, e-commerce websites, or direct sales teams.
- **Indirect Distribution:** Involves intermediaries or third parties to distribute products to customers. Examples include wholesalers, retailers, distributors, or agents.
- **Hybrid Distribution:** A combination of direct and indirect distribution channels, where companies use a mix of company-owned stores, online platforms, and intermediaries to reach customers.



# Inventory Management

- Effective inventory management is crucial for ensuring product availability while minimizing costs.
- Techniques such as just-in-time (JIT) inventory management or automated inventory systems can help streamline the process.



# Logistics

- Logistics refers to the management of the flow of goods or services from the point of origin to the point of consumption.
- Key logistics activities include transportation, packaging, warehousing, order processing, and information management.





# Warehousing

- Warehousing plays a vital role in the distribution process by providing storage facilities for products before they are delivered to customers.
- Warehouses facilitate efficient inventory management, order fulfillment, and timely delivery.
- Decisions related to warehousing include location selection, warehouse layout design, stock handling procedures, and inventory tracking systems.



# Transportation

- Transportation involves the physical movement of products from the production facilities to distribution centers, retailers, or end customers.
- Choosing the appropriate transportation methods depends on factors such as product characteristics, distance, speed, cost, reliability, and sustainability.
- Options for transportation include trucks, ships, airplanes, trains, or a combination of these modes (intermodal transportation).

# Order fulfillment

- Order fulfillment encompasses the processes involved in receiving, processing, and delivering customer orders.
- It includes activities such as order entry, order processing, picking and packing, shipment tracking, and post-delivery customer support.



# Channel Management

- Channel management focuses on building and maintaining relationships with intermediaries in the distribution channel.
- It involves activities such as selecting and recruiting channel partners, providing training and support, managing channel conflicts, and evaluating channel performance.



# E-commerce and Digital Distribution



- The rise of e-commerce has significantly impacted distribution strategies.
- Companies must consider online platforms, digital marketplaces, and social media channels as distribution channels.
- E-commerce brings opportunities for direct-to-consumer sales, global reach, and personalized customer experiences.

# Promotion





- Promotion refers to the activities and communication strategies used to inform, persuade, and influence the target market about the value of a product or service.
- It encompasses a range of promotional tools and techniques to create awareness, generate interest, stimulate desire, and ultimately drive customer action.



# Promotion Mix Elements

The promotion mix consists of various elements or tools that marketers can utilize to reach their target market effectively:

# Advertising

Paid, non-personal communication through various media channels such as television, radio, print, outdoor, and digital platforms to promote products or services to a wide audience.



# Public Relations

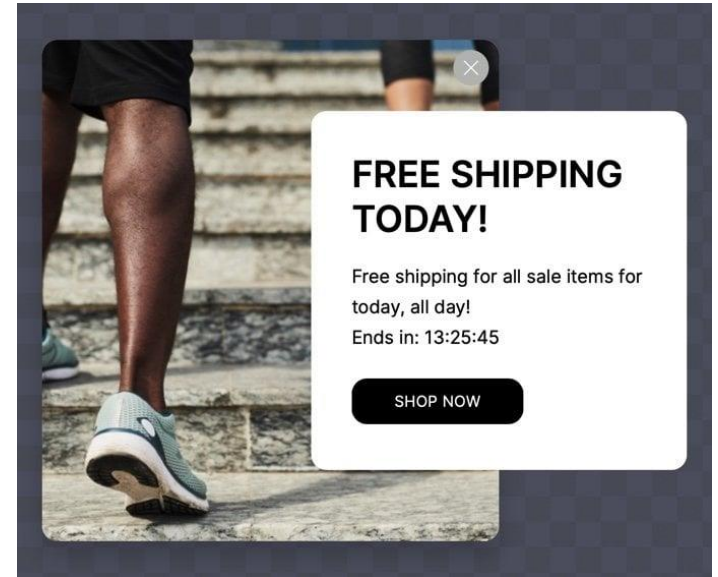
Building and maintaining a favorable public image and relationship with the target market through activities such as media relations, press releases, events, sponsorships, and community involvement.





# Sales Promotion

Short-term incentives or offers aimed at stimulating immediate sales. Examples include discounts, coupons, contests, giveaways, loyalty programs, and limited-time promotions.



# Personal Selling

Direct, personal communication between a sales representative and potential customers to explain product features, address customer needs, answer questions, and negotiate sales.



# Direct Marketing

Direct communication with targeted individuals or groups to promote products or services. It can involve methods such as direct mail, telemarketing, email marketing, SMS marketing, or personalized online advertising.



# Online Marketing

Utilizing digital platforms and online channels, including websites, search engine marketing (SEM), search engine optimization (SEO), social media marketing, content marketing, influencer marketing, and online advertising, to reach and engage the target market.





# Sponsorship and Event

Supporting or associating with specific events, causes, or organizations to enhance brand visibility, credibility, and reach a targeted audience.



# Word of mouth marketing

Encouraging satisfied customers to share positive experiences and recommendations with others, utilizing customer testimonials, referrals, and online reviews.





# Communication Objectives

- Creating Awareness
- Generating Interest
- Stimulating Desire
- Driving Action



# Integrated Marketing Communications (IMC)

- Promotion works best when it is part of an integrated marketing communications approach.
- Integrated Marketing Communications (IMC) involves aligning and coordinating all marketing communication activities to deliver a consistent and cohesive message to the target market.

# People





# People

- People - refer to the individuals who are involved in delivering the product or service to customers.
- It includes employees, sales representatives, customer service personnel, and any other personnel who interact with customers directly or indirectly.



# Importance of people in marketing



- People play a crucial role in shaping the customer experience and influencing the perception of the brand.
- They are the face of the organization and act as representatives who directly interact with customers.

The competence, training, and attitude of these individuals can significantly impact customer satisfaction, loyalty, and the overall success of the business.



# Competence and Expertise

- Competence refers to the knowledge, skills, and expertise possessed by the people representing the organization.
- It is crucial for employees to have a deep understanding of the product or service, its features, benefits, and usage.
- Competent individuals can effectively address customer inquiries, provide accurate information, and offer appropriate solutions to customer needs.





# Training and Development

- Training and development programs are essential to enhance the skills and knowledge of employees.
- Training should focus on product knowledge, customer service skills, effective communication, problem-solving, and conflict resolution.
- Ongoing training ensures that employees stay updated with industry trends and can adapt to changing customer needs.



# Attitude and Customer Service

- Employees should demonstrate a positive and customer-centric attitude, showing empathy, patience, and willingness to help.
- Providing exceptional customer service involves actively listening to customers, understanding their needs, and delivering personalized and prompt assistance.



# Employee Engagement and Motivation



- Engaged and motivated employees are more likely to provide excellent customer service and positively represent the brand.
- Organizations should create a supportive work environment that encourages employee engagement, teamwork, and continuous improvement.
- Recognizing and rewarding employees for their achievements and providing opportunities for growth and advancement can enhance motivation and job satisfaction.



# Internal Marketing

Internal marketing focuses on effectively communicating the organization's values, mission, and brand promise to its employees.

Internal marketing helps employees to embody the brand values and deliver a consistent customer experience.



# Handling Customer Complaints and Feedback



People representing the organization should be trained to handle customer complaints and feedback effectively.

They should be empowered to resolve issues promptly, with a focus on customer satisfaction and retention.

Active listening, empathy, and effective problem-solving skills are essential when addressing customer concerns.



# Brand Ambassadors

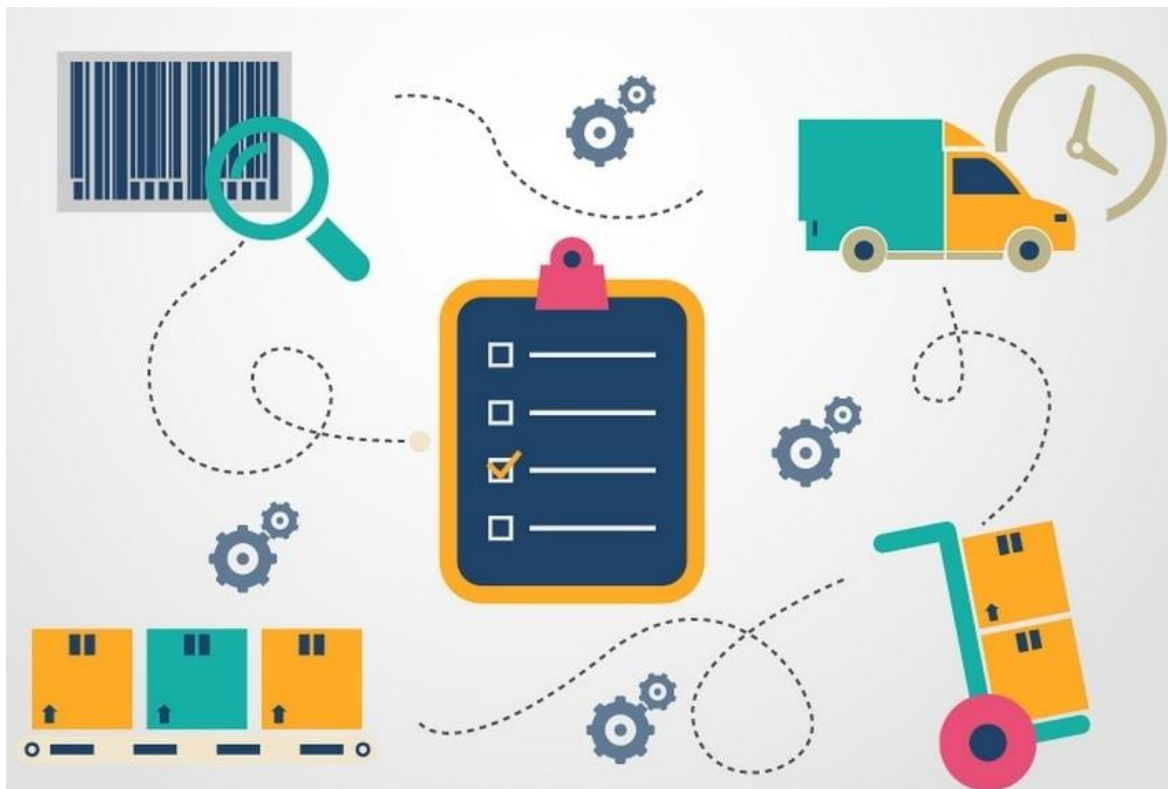
- People can become brand ambassadors by demonstrating a strong belief in the brand, its values, and its offerings.
- When employees have a positive attitude and strong product knowledge, they can effectively convey the brand message and contribute to building brand loyalty.



# Continuous Improvement

- Encouraging a culture of continuous improvement among employees is crucial.
- Regular feedback, performance evaluations, and opportunities for professional development help employees enhance their skills and deliver an exceptional customer experience.

# Process







# Process

Process - refers to the procedures, systems, and activities that are followed to deliver the product or service to customers.

It encompasses the operational processes associated with delivering value, including order processing, customer service procedures, payment processes, and other activities required to fulfill customer needs.



# Importance of Process in Marketing

- The process plays a critical role in shaping the customer experience and directly impacting customer satisfaction and loyalty.
- A well-designed and efficient process ensures that customers receive the product or service in a timely, accurate, and hassle-free manner, enhancing their overall satisfaction.



# Order Processing

- Order processing involves the activities associated with receiving, recording, and fulfilling customer orders.
- Efficient order processing ensures that customer orders are accurately captured, tracked, and fulfilled promptly.



# Customer Service Procedures

- Customer service procedures define the steps and protocols followed to address customer inquiries, requests, and concerns.
- Well-defined customer service procedures ensure consistency and provide guidelines for employees to deliver timely and effective support to customers.



# Payment Processes

- Payment processes encompass the procedures and systems used to facilitate and secure customer payments.
- This includes providing multiple payment options, such as cash, credit cards, online payment platforms, or mobile payment apps.
- Payment processes should be seamless, secure, and user-friendly to provide customers with a convenient and trustworthy payment experience.



# Operational Efficiency

- Operational efficiency refers to the ability of a business to deliver products or services effectively and efficiently.
- Optimizing processes, reducing waste, and streamlining operations contribute to operational efficiency and cost-effectiveness.



# Continuous Improvement

- Processes should be regularly reviewed, evaluated, and refined to identify areas for improvement and enhance customer satisfaction.
- Collecting customer feedback, monitoring key performance indicators, and analyzing process metrics can help identify bottlenecks, inefficiencies, and opportunities for improvement.
- Adopting continuous improvement methodologies such as Six Sigma or Lean can drive ongoing process optimization.



# Technology and Automation:

- Technology and automation play a crucial role in streamlining and optimizing processes.
- Implementing appropriate software systems, tools, and automation solutions can enhance accuracy, speed, and efficiency in order processing, inventory management, payment processes, and customer service.





# Training and standardisation

- Training employees on standard processes, procedures, and systems ensures consistency in service delivery and minimizes errors.
- Standardization promotes efficiency and allows for better scalability as the business grows.
- Documenting processes, creating standard operating procedures (SOPs), and providing training and refresher sessions ensure that employees understand and follow the established processes.



# Physical Evidence



# Physical Evidence

- Physical evidence - refers to the tangible cues or visible aspects that customers observe and evaluate before and during the consumption of a service.
- It includes the physical environment, facilities, equipment, packaging, and any other tangible elements associated with the service.



# Importance of Physical Evidence in Marketing.

- Physical evidence plays a significant role in shaping the customer's perception of the service quality, credibility, and overall experience.
- It serves as a visual representation of the brand, instills confidence, and influences customer satisfaction, loyalty, and repeat business.



# Role of Physical Evidence

- Tangible cues in the physical evidence help customers assess the quality, reliability, and professionalism of the service provider.
- Physical evidence can create a favorable impression, build trust, and differentiate the service from competitors.
- It enhances the customer's confidence in the service, reduces perceived risk, and influences purchase decisions.



# Elements of Physical Evidence

- **Physical environment:** The physical surroundings in which the service is delivered. It includes factors such as the architecture, layout, design, and ambiance of the premises.
- For example, in a restaurant, the lighting, décor, seating arrangement, and music contribute to the overall dining experience.



# Elements of Physical Evidence

- **Facilities and equipment:** The tangible assets and infrastructure used to deliver the service.
- This includes the condition and appearance of buildings, equipment, furniture, fixtures, and signage. In a fitness center, the cleanliness and maintenance of exercise machines, locker rooms, and shower facilities are part of the physical evidence.



# Elements of Physical Evidence

- **Packaging:** The tangible presentation of the service. Packaging can involve the design, materials, and functionality of product packaging or the visual presentation and branding of a service offering.
- For example, in a luxury spa, the packaging of spa products and the quality of branded towels and robes contribute to the overall service experience.





# Elements of Physical Evidence

- **Tangible artifacts:** Other physical elements associated with the service that can influence customer perception.
- This can include uniforms, name tags, brochures, business cards, promotional materials, and any physical items that are part of the service delivery process.
- In a car rental agency, the condition and cleanliness of the rental vehicles, as well as the appearance of the staff, serve as tangible evidence.



# Impact on customer Experience

- The physical evidence significantly contributes to the overall customer experience and influences customer satisfaction.
- A visually appealing, well-maintained, and comfortable physical environment creates a positive impression and enhances the service encounter.
- Consistency between the promised service and the physical evidence builds trust and fosters positive word-of-mouth.



# Employee Appearance and Behavior:



- The appearance and behavior of employees also contribute to the physical evidence.
- Employees' attire, grooming, and professional demeanor represent an important aspect of the service experience.
- Well-dressed, knowledgeable, and courteous staff members contribute to the overall physical evidence and create a positive impression.



# Managing Physical Evidence

- Organizations should actively manage physical evidence to align it with their brand image and service positioning.
- Regular maintenance, cleanliness, and aesthetic enhancements ensure that the physical evidence remains attractive and reflects the desired image.
- It is crucial to continuously monitor and evaluate physical evidence to identify areas for improvement and align them with evolving customer expectations.



# Integrated Experience

- Physical evidence should be integrated with other elements of the marketing mix to deliver a consistent and cohesive customer experience.
- It should align with the brand's value proposition, target market preferences, and the overall marketing strategy.

# Case Analysis

Assess the effectiveness of the marketing of a known brand, focusing on the elements of the marketing mix: product, pricing, place, promotion, physical evidence, people, and processes.

- Mention the strengths, weakness, Recommendations for each of the P's.



# Example – Apple Inc





# Product



## Strengths:

- Wide range of innovative and high-quality products including the iPhone, iPad, Mac, Apple Watch, and AirPods.
- Sleek design and user-friendly interfaces
- Consistent introduction of new features and advancements

## Weaknesses:

- Perceived as relatively expensive
- Heavily focused on premium devices
- Pace of innovation and diversification may be slower

## Recommendations:

- Focus on product innovation and differentiation
- Introduce more affordable options
- Accelerate product diversification





# Price

## Strengths:

- Premium positioning and perceived value
- Aligns with the brand's image
- Creates aspirational and exclusive perception

## Weaknesses:

- Higher prices may limit access to certain customer segments or emerging markets.
- Competitors offering similar features and functionalities at lower prices may attract price-sensitive customers.

## Recommendations:

- Conduct market research on price sensitivity
- Introduce competitive pricing in specific markets
- Offer flexible financing options



# Place



## Strengths:

- Availability through various channels
- Unique and immersive retail store experience

## Weaknesses:

- Limited physical availability in some regions
- The reliance on authorized resellers may result in inconsistencies in customer experience and product knowledge.

## Recommendations:

- Expand physical presence in untapped markets
- Strengthen partnerships with authorized resellers to ensure consistent customer experience and product availability.



# Promotion

## Strengths:

- Apple's marketing campaigns are highly influential, creative, and visually appealing.
- Highlights the seamless integration among devices and services.
- Apple effectively uses public relations and events to generate buzz and maintain a strong brand image.

## Weaknesses:

- Some customers may find Apple's marketing messages overly focused on aesthetics and lifestyle, lacking technical details.
- Limited engagement with certain customer segments, such as price-sensitive or enterprise customers, in promotional activities.

## Recommendations:

- Balance aesthetics with technical details in marketing
- Develop targeted campaigns for different segments
- Enhance engagement with enterprise customers



# Physical Evidence, People, and Processes

## Strengths:

- Apple's physical stores provide a visually appealing and customer-centric environment.
- Knowledgeable and well-trained employees offer personalized customer assistance and support.
- Apple's processes and ecosystem facilitate seamless product setup, data transfer, and software integration.

## Weaknesses:

- In-store experience may vary depending on location, with some stores experiencing overcrowding or long wait times.
- Support and service options for older or discontinued products may not be readily available or accessible.

## Recommendations:

- Continually optimize store layouts and operations to enhance the in-store experience.
- Invest in employee training and development to ensure consistent customer service.
- Strengthen support services for older products to maintain customer satisfaction and loyalty.



Activity – Choose a company of your choice and assess the 7P