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Marketing mix: a critical review of the concept

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ABSTRACT

Managing the marketing mix makes marketing seem to easy to handle and organize. Marketing is separated from other activities of the firm and delegated to specialists who take care of the analysis, planning and implementation of various marketing tasks, such as market analysis, marketing planning, advertising, sales promotion, sales, pricing, distribution and product packaging. Marketing departments are created to take responsibility for the marketing function of the firm, sometimes together with outside specialists on, for example, market analysis and advertising. Both in the marketing literature and in everyday marketing vocabulary the expression “marketing department”, and organization unit, is used as a synonym for marketing function, which is the process of taking care of the fulfilment of customer needs and desires. However, the organizational approach inherent in the marketing mix management paradigm is not very useful either. The psychological effect on the rest of the organization of a separate marketing department is, in the long run, often devastating to the development of a customer orientation or market orientation in a firm. A *marketing orientation* with, for example, high-budget advertising campaigns may be developed, but this does not necessarily have much to do with true *market orientation* and a real appreciation for the needs and desires of the customers. The existence or introduction of such a department may be a trigger that makes everybody else lose whatever little interest in the customers they may have had. The marketing department approach to organizing the marketing function has isolated marketing from design, production, deliveries, technical service, complaints handling, invoicing and other activities of the firm. As a consequence, the rest of the organization has been alienated from marketing. Therefore, it has made it difficult, often even impossible, to turn marketing into the “integrative function” that would provide other departments with the market-related input needed in order to make the organization truly market oriented and reach a stage of “co-ordinated marketing”.

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Introduction

Progress and transformed the industry with institutions and companies to deal with problems and activities, along with competitors, and each institution should adopt policies with respect to long-term vision, mission, goals and opportunities and arrangements and the internal facilities of an external to develop comprehensive marketing], because today's global business environment with increasing complexity, rapid change and unexpected developments in the markets is.

With the development of science in all fields, especially banks and financial markets become competitive in recent years with the development of their activities with the creation of the private banks and financial institutions and credit to the marketing and applying marketing techniques and strategies in attract customers and increase the deposit was more important. Using the marketing mix factors such as access to appropriate services and provide services to customers quickly and appropriately in a variety of services and advertising to attract customers Marketing is ^{one} of the issues that are subject to change, due to market changes in consumption patterns and tastes of individuals. Population growth, urban expansion and changes in community structure and diversity of products and advance knowledge, generation changes, etc. are factors that will determine market variables Each institution has the task of marketing managers with analyzing, planning, implementation

and effective control of marketing programs for a superior competitive position in target markets to develop. Marketing plan includes a process designed to predict future events and determining strategies to achieve the objectives of the Institute Institutions should try to obtain an appropriate share of the market with a market study and application of marketing mix variables, and using appropriate methods of distribution and supply good service and well aware of the campaign and for the identification of opportunities and They attract more resources to deal with scientific creativity and innovation with customer needs and matching resources to increase market share and take care of customers. Strengthening financial markets in the country of its economic development and resource savings for the health of the economy seems to be necessary and the savings rate in the banking system and credit system and financial institutions can expect increased investment and economic growth there.

Marketing mix is originating from the single P (price) of microeconomic theory (Chong, 2003). McCarthy (1964) offered the “marketing mix”, often referred to as the “4Ps”, as a means of translating marketing planning into practice (Bennett, 1997). Marketing mix is not a scientific theory, but merely a conceptual framework that identifies the principal decision making managers make in configuring their offerings to suit consumers' needs. The tools can be used to develop both long-term

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strategies and short-term tactical programmes (Palmer, 2004).

The idea of the marketing mix is the same idea as when mixing a cake. A baker will alter the proportions of ingredients in a cake depending on the type of cake we wishes to bake. The proportions in the marketing mix can be altered in the same way and differ from the product to product (Hodder Education, n.d). The marketing mix management paradigm has dominated marketing thought, research and practice (Grönroos, 1994), and "as a creator of differentiation" (Van Waterschoot, n.d) since it was introduced in 1940s. Kent (1986) refers to the 4Ps of the marketing mix as "the holy quadruple...of the marketing faith...written in tablets of stone". Marketing mix has been extremely influential in informing the development of both marketing theory and practise (Møller, 2006).

The main reasons the marketing mix is a powerful concept are It makes marketing seem easy to handle, allows the separation of marketing from other activities of the firm and the delegation of marketing tasks to specialists; and – The components of the marketing mix can change a firm's competitive position (Grönroos, 1994). The marketing mix concept also has two important benefits. First, it is an important tool used to enable one to see that the marketing manager's job is, in a large part, a matter of trading off the benefits of one's competitive strengths in the marketing mix against the benefits of others. The second benefit of the marketing mix is that it helps to reveal another dimension of the marketing manager's job. All managers have to allocate available resources among various demands, and the marketing manager will in turn allocate these available resources among the various competitive devices of the marketing mix. In doing so, this will help to instil the marketing philosophy in the organisation (Low and Tan, 1995).

However, Møller (2006) highlighted that the shortcomings of the 4Ps marketing mix framework, as the pillars of the traditional marketing management have frequently become the target of intense criticism. A number of critics even go as far as rejecting the 4Ps altogether, proposing alternative frameworks.

Marketing

In the 1960s, the term was common in marketing. It says everything starts with consumer needs and demands. Marketing and market management of the important branches of knowledge management is the main task of understanding human needs and desires and help them through the process, resources are exchanged. Because society needs today more than ever, especially with the demands of a growing shortage of human and other resource managers faced with limited resources available to meet those demands are unlimited, and that knowledge management is here to help science the economy and a set of skills and knowledge to the optimal use of limited resources, and marketing also need to recognize the efforts put up by the exchange of resources .Marketing is a social and managerial process by which needs and desires of individuals and groups through the production, supply and exchange of useful goods and the value they provide to others .

Marketing Management can be defined as follows: "The analysis, planning, implementation and monitoring programs to create, provide and maintain a profitable process transactions with the buyers, in order to achieve organizational goals [7]. "Marketing management" as the analysis, planning, implementation and control programs are defined to achieve organizational goals are developed. Programs that establish and maintain beneficial exchanges with buyers is made .

"Marketing Management" opportunities, including analysis, planning, implementation, execution and monitoring programs to establish and maintain a favorable exchange markets aim to achieve organizational goals. Thus marketing management or demand management, supply and demand caused by or in the form of motivation is essential .

"Marketing Association of America " marketing "the process of planning, the realization of an idea, pricing, advertising and distribution of goods and services or ideas considered so that the exchange is that the individual and the organization in its becoming a reality . The art and science of marketing is to create favorable conditions the to be established between supply and demand. The main task of the marketing of both product and service needs and focus on target market is.

Marketing involves activities that provide a comprehensive definition makes it difficult. Marketing experts are by definition as a way for these activities from their own angle of vision has been raised. Some of the term, see a group of activities that take place in the market and also some of the ways that marketers have to comply to the definition .Table 1 shows some of these definitions.

Table 1. Definitions of marketing (Researcher)

Scholar	Year	Definition
Chysnral	1992	Marketing means finding a suitable position in the market.
Mercer	1996	Understanding what people want and seek a market and supply and provision of goods and services and meet their needs and achieve goals.
Cohen	1998	The marketing activities such as buying and selling of goods, transport and storage of.
Baker	1998	A series of activities called the flow of commercial goods and services from producer to final consumer, it will lead.
Goharian	1990	Marketing structure and demand for products and services is estimated to predict the spread.
Ranjbariyan	1993	Satisfy human needs and to define the process was considered with the market. The other hand, the buyer and seller in a market where it is located.
Hosseini	1991	A set of human and economic activities conducted in order to satisfy the needs and demands of the people through the exchange process.
Alvdary	2001	Process in which groups of people, goods and benefits from production and exchange with others to meet their wants and needs.
Events in Iran	2005	Targeted marketing enabling the company to plan and execute pricing, promotion and distribution of products, services and ideas.

The art of marketing and product or service to meet the need, if the correct amount and quality of sound in the right place and right time to reach customers and to benefit from its activities should be.

Today the range extends to the advertising and marketing so as to be considered as part of its territory and that all economic activities including manufacturing, distribution or marketing of a wide range of services includes the management of sales or production to the sale of goods and services to provide.

In summary, the design, manufacture, packaging, distribution and sale of goods and services to consumers and ultimately customer satisfaction through after sales activities play an important role. In the field of services marketing, field marketing is important; service activities which include features such as being intangible, indiscernible being different and being held to be impossible. The exchange of product marketing, marketing services, with the difference goods and services between the same characteristics inseparable, being intangible, lack of maintenance and service is different.

In recent years, branches and wide variety of services to the market so much over the last several service centers are more tangible, and that it can be listed as Table 2:

Table 2. Community services sector (research)

Section	Example	Section	Example
Public sector	Hospitals, educational	Department of Commerce	Hotels, insurance companies, banks and financial institutions and credit
Non-profit sector	Charitable institutions, mosques	Manufacturing sector	Computer operators

Marketing mix Set of controllable elements of marketing tools and marketing strategies with the company in its marketing strategy in combining these elements form. By definition, "Cutler" a set of marketing mix variables can be controlled by the marketing companies and institutions in their target market and its composition are required for the reaction .Elements of the marketing mix is a set of marketing tools for achieving the goals of the Institute of Marketing in the market that uses.

Marketers in order to receive favorable responses from their target markets of many tools they use. These tools comprise the marketing mix. In fact, a set of tools that institutions of their marketing mix to achieve marketing goals of your target market use. McCarthy classified these tools into four major groups has, these four groups, which they called the 4P's of marketing: product, price, location, distribution, sales promotion. Decisions about future marketing by marketers, should also affect the final consumer and commercial channels. Thus, despite the presence of institutions in a number of decision variables of the marketing mix because it requires a long time, little can change in the short term in their marketing mix to create. Robert Latr for the seller as to the 4P 4C customer is shown in Table 3:

Table 3. Component Model 4P and 4C

4C customer		The 4P	
Customer solution	Customer solution	Product	Product
Customer costs	Customer coast	Price	Price
Profits and customer comfort	Convenience	Location distribution	Place
Communications	Communication	Advance sales	Promotion

4C according to the customer, the customer needs to succeed with institutions more economical, more comfortable and more effective communication to meet the needs of the consumer satisfaction convenience, comfort, and their interests taken into account and try to charge less for their customers Should the customer be expected product benefits. Price should be commensurate with the capabilities of the buyer. This product should be available to customers purchasing its not a problem. Finally, the promotions should be made to potential consumers of such products are available . The concept of marketing mix, the organization's performance using a set of controllable variables and uncontrollable factors of the environment is defined .

Marketing mix of traditional management models and dynamic market such as the beggar working alongside other methods of Anderson and the theoretical parameters of a system that was developed by the University of Copenhagen in Europe to overcome. Methods such as new product vision, functional vision, and with such a geographical perspective he faced. just a few of these models were able to maintain their survival against 4P . The concept of marketing mix for the first time in 1950 by Neil Bvrdsn was introduced and became known as the 4P. Jerome McCarthy in the early 1960s, blends marketing with four variables known as the 4P classification that included: product ⁴the price of ⁵, the distribution (place) and promotion

of " which each of these marketing tools have the following collections are.

McCarthy has since been created dramatic changes in the marketing mix and the 4P's still a lot of literature as the main concept is to coordinate the many other aspects of marketing are organizing a round. Four elements of marketing mix is defined in Table 4:

Table 4. Definitions of the four elements of marketing mix (made)

Product	Product is a physical object that is sold and has a characteristic palpable, a complex set of benefits that can be used to meet customer needs .
Price	Includes issues such as discounts, list prices, credit, repayment term and conditions .The price is included in the price, product or service offered for sale and will determine the level of benefits. Price is the only element that does not include costs charged to the customers to buy products they take .
Promotion	Includes issues such as advertising, personal selling, sales promotion, public relations and direct marketing. Distribution channels is the most important questions about how an organization can optimize a connection between inner and outer channels is .
Distribution of	Includes issues such as distribution channels, market coverage, product inventory, transportation and distribution sites.

The most important element in the marketing mix is product. Is what makes our product to market. Price-sensitive element of the marketing mix, customer is liable for the amounts are paid to deliver the product. The third element is that the distribution of all the activities that aim to deliver the product to the customer. The fourth element of the marketing mix is promotion, which is used to communicate with customers. This association is to encourage customers to buy products. Figure 1 shows the elements of the marketing mix.

History and Implementation of Marketing Mix

Borden (1965) claims to be the first to have used the term "marketing mix" and that it was suggested to him by Culliton's (1948) description of a business executive as "mixer of ingredients". An executive is "a mixer of ingredients, who sometimes follows a recipe as he goes along, sometimes adapts a recipe to the ingredients immediately available, and sometimes experiments with or invents ingredients no one else has tried" (Culliton, 1948).

The early marketing concept in a similar way to the notion of the marketing mix, based on the idea of action parameters presented in 1930s by Stackelberg (1939). Rasmussen (1955) then developed what became known as parameter theory. He proposes that the four determinants of competition and sales are price, quality, service and advertising. Mickwitz (1959) applies this theory to the Product Life Cycle Concept.

Borden's original marketing mix had a set of 12 elements namely: product planning; pricing; branding; channels of distribution; personal selling; advertising; promotions; packaging; display; servicing; physical handling; and fact finding and analysis. Frey (1961) suggests that marketing variables should be divided into two parts: the offering (product, packaging, brand, price and service) and the methods and tools (distribution channels, personal selling, advertising, sales promotion and publicity). On the other hand, Lazer and Kelly (1962) and Lazer, Culley and Staudt (1973) suggested three elements of marketing mix: the goods and services mix, the distribution mix and the communication mix. McCarthy (1964) refined Borden's (1965) idea further and defined the marketing mix as a combination of all of the factors at a marketing manger's command to satisfy the target market. He regrouped Borden's 12 elements to four elements or 4Ps, namely product,

price, promotion and place at a marketing manager's command to satisfy the target market.

Especially in 1980s onward, number of researchers proposes new 'P' into the marketing mix. Judd (1987) proposes a fifth P (people). Booms and Bitner (1980) add 3 Ps (participants, physical evidence and process) to the original 4 Ps to apply the marketing mix concept to service. Kotler (1986) adds political power and public opinion formation to the Ps concept. Baumgartner (1991) suggests the concept of 15 Ps. MaGrath (1986) suggests the addition of 3 Ps (personnel, physical facilities and process management). Vignalis and Davis (1994) suggests the addition of S (service) to the marketing mix. Goldsmith (1999) suggests that there should be 8 Ps (product, price, place, promotion, participants, physical evidence, process and personalisation). Møller (2006) presents an up-to-date picture of the current standing in the debate around the Mix as marketing paradigm and predominant marketing management tool by reviewing academic views from five marketing management sub-disciplines (consumer marketing, relationship marketing, services marketing, retail marketing and industrial marketing) and an emerging marketing (E-Commerce) (Table 1-6). Most of researchers and writers reviewed in these domains express serious doubts as to the role of the Mix as marketing management tool in its original form, proposing alternative approaches, which is adding new parameters to the original Mix or replacing it with alternative frameworks altogether.

Use of The Marketing Mix Concept

Like many concepts, the marketing mix concept seems relatively simple, once it has been expressed. I know that before they were ever tagged with the nomenclature of "concept," the ideas involved were widely understood among marketers as a result of the growing knowledge about marketing and marketing procedures that came during the preceding half century. But I have found for myself that once the ideas were reduced to a formal statement with an accompanying visual presentation, the concept of the mix has proved a helpful device in teaching, in business problem solving, and, generally, as an aid to thinking about marketing. First of all, it is helpful in giving an answer to the question often raised as to "what is marketing?" A chart which shows the elements of the mix and the forces that bear on the mix helps to bring understanding of what marketing is. It helps to explain why in our dynamic world the thinking of management in all its functional areas must be oriented to the market. In recent years I have kept an abbreviated chart showing the elements and the forces of the marketing mix in front of my classes at all times. In case discussion it has proved a handy device by which to raise queries as to whether the student has recognized the implications of any recommendation he might have made in the areas of the several elements of the mix. Or, referring to the forces, we can question whether all the pertinent market forces have been given due consideration. Continual reference to the mix chart leads me to feel that the students' understanding of "what marketing is" is strengthened. The constant presence and use of the chart leaves a deeper understanding that marketing is the devising of programs that successfully meet the forces of the market. In problem solving the marketing mix chart

Is a constant reminder of:

The fact that a problem seemingly lying in one segment of the mix must be deliberated with constant thought regarding the effect of any change in that sector on the other areas of

marketing operations. The necessity of integration in marketing thinking is ever present.

The need of careful study of the market forces as they might bear on problems in hand. In short, the mix chart provides an ever ready checklist as to areas into which to guide thinking when considering marketing questions or dealing with marketing problems.

Marketing: Science or Art?

Marketing requires attention to the needs and wants of your customers or users, much planning, a little intuition, creative ideas, and a trial-and-error attitude to find out what works best. In addition to attending seminars or taking courses, librarians can take advantage of readily available resources.

Corporate librarians can seek assistance from the company's public relations and marketing departments; academic librarians can get support from the university's marketing office and faculty; public librarians can turn to local community colleges or universities.

The quest for a "science of marketing" is hard upon us. If science is in part a systematic formulation and arrangement of facts in a way to help understanding, then the concept of the mix may possibly be considered a small contribution in the search for a science of marketing. If we think of a marketing science as involving the observation and classification of facts and the establishment of verifiable laws that can be used by the marketer as a guide to action with assurance that predicted results will ensue, then we cannot be said to have gotten far toward establishing a science. The concept of the mix lays out the areas in which facts should be assembled, these to serve as a guide to management judgment in building marketing mixes. In the last few decades American marketers have made substantial progress in adopting the scientific method in assembling facts. They have sharpened the tools of fact finding—both those arising within the business and those external to it. Aided by these facts and by the skills developed through careful observation and experience, marketers are better fitted to practice the art of designing marketing mixes than would be the case had not the techniques of gathering facts been advanced as they have been in recent decades.

Moreover, marketers have made progress in the use of the scientific method in designing tests whereby the results from mixes or parts of mixes can be measured. Thereby marketers have been learning how to subject the hypotheses of their mix artists to empirical check.

With continued improvement in the search for and the recording of facts pertinent to marketing, with further application of the controlled experiment, and with an extension and careful recording of case histories, we may hope for a gradual formulation of clearly defined and helpful marketing laws. Until then, and even then, marketing and the building of marketing mixes will largely lie in the realm of art.

Criticism on Marketing Mix

4Ps delimits four distinct, well-defined and independent management processes. Despite the consistent effort by many physical businesses to deal with the 4P in an integrated manner, the drafting but mainly the implementation of the P policies remains largely the task of various departments and persons within the organisation. Even more significant thought is the fact that the customer is typically experiencing the individual effects of each of the 4Ps in diverse occasions, times and places, even in case that some companies take great pains to fully integrate their marketing activities internally (Constantinides, 2002; Wang,

Wang and Yao, 2005). However, a study by Rafiq and Ahmed (1995) suggested that there is a high degree of dissatisfaction with the 4Ps framework. Even, Overall these results provide fairly strong support Booms and Bitner's (1981) 7P framework should replace McCarthy's 4Ps framework as the generic marketing mix. Development of marketing mix has received considerable academic and industry attention.

Numerous modifications to the 4Ps framework have been proposed, the most concerted criticism has come from the services marketing area (Rafiq and Ahmed, 1995).

The introductory marketing texts suggest that all parts of the marketing mix (4Ps) are equally important, since a deficiency in any one can mean failure (Kellerman, Gordon and Hekmat, 1995). Number of studies of industrial marketers and purchasers indicated that the marketing mix components differ significantly in importance (Jackson, Burdick and Keith, 1985). Two surveys focused on determination of key marketing policies and procedures common to successful manufacturing firms (Jackson, Burdick and Keith, 1985). Udell (1964) determined that these key policies and procedures included those related to product efforts and sales efforts. This followed in order by promotion, price, and place. In a replication of this survey, Robicheaux (1976) found that key marketing policies had changed significantly. Pricing was considered the most important marketing activity in Robicheaux's (1976) survey, although it ranked only sixth in Udell's (1964) survey. Udell (1968) found that sales efforts were rated as most important, followed by product efforts, pricing, and distribution. LaLonde (1977) found product related criteria to be most important, followed by distribution, price, and promotion. Perreault and Russ (1976) found that product quality was considered most important, followed by distribution service and price. McDaniel and Hise, (1984) found that chief executive officers judge two of the 4 Ps, pricing and product to be somewhat more important than the other two – place (physical distribution) and promotion. Kurtz and Boone (1987) found that on the average, business persons ranked the 4 Ps to be of most importance in the following order: price, product, distribution, and promotion. Thus, it appears from these studies that business executives do not really view the 4 Ps as being equally important, but consider the price and product components to be the most important (Kellerman, Gordon and Hekmat, 1995). The concept of 4Ps has been criticised as being a production-oriented definition of marketing, and not a customer-oriented (Popovic, 2006). It's referred to as a marketing management perspective. Lauterborn (1990) claims that each of these variables should also be seen from a consumer's perspective. This transformation is accomplished by converting product into customer solution, price into cost to the customer, place into convenience, and promotion into communication, or the 4C's. Møller (2006) highlighted 3-4 key criticisms against the Marketing Mix framework:

- The Mix does not consider customer behaviour but is internally oriented.
- The Mix regards customers as passive; it does not allow interaction and cannot capture relationships.
- The Mix is void of theoretical content; it works primarily as a simplistic device focusing the attention of management.
- The Mix does not offer help for personification of marketing activities.

A review of another article, "Revision: Reviewing the Marketing Mix" (Fakeideas, 2008) found that:

- The mix does not take into consideration the unique elements of services marketing.
- Product is stated in the singular but most companies do not sell a product in isolation. Marketers sell product lines, or brands, all interconnected in the mind of the consumer.
- The mix does not mention relationship building which has become a major marketing focus, or the experiences that consumers buy.
- The conceptualisation of the mix has implied marketers are the central element. This is not the case. Marketing is meant to be 'customer-focused management'.

Even, a study by Rafiq and Ahmed (1995) found that there is a high degree of dissatisfaction with the 4Ps, however, 4Ps is thought to be most relevant for introductory marketing and consumer marketing. The result also suggests that the 7Ps framework has already achieved a high degree of acceptance as a generic marketing mix among our sample of respondents. Rafiq and Ahmed (1995) also highlighted the strengths and weaknesses of the 4Ps and 7Ps mixes.

Marketing Mix Resource Allocation And Lanning Challenges

Marketing mix resource allocation and planning has assumed prominence as companies have attempted to optimize spending across all marketing activities. That's no surprise, considering that senior marketing executives are under increasing pressure to help their organizations achieve organic sales growth with tighter, topdown- driven budgets and short time horizons to deliver tangible payback on their marketing campaigns. With less influence over the size of their budgets, senior marketers must instead attempt to maximize the impact of the dollars they distribute for programs across multiple products, markets, channels, and specific customers, using an increasingly complex mix of new and traditional media.

As a result, companies have looked toward analytical and modeling techniques in an attempt to better link marketing investments to meaningful and measurable market responses (and, ideally, to one or more financial metrics). Packaged goods and pharmaceutical marketers, in particular, were among the pioneers in exploring marketing mix analytics and data-driven econometric models. Marketing scholars also have contributed to a more sophisticated body of analytical and modeling literature that offers both theoretical and substantive insights for marketing mix resource allocation decisions and planning practices. In many respects, marketing practitioners and researchers were early advocates for bringing analytics to business practice (Kotler 1971).

Nevertheless, changing customer dynamics and advances in media technology present novel challenges. Nowhere is the challenge more evident than in the domain of new media that originated in and is energized by the digital environment. The rapid and ongoing emergence of new digital channels—from the static online banner ads of the 1990s to the social media and mobile platforms of the current environment—has changed the way people consume information and has left marketers scrambling to address the new digital landscape.

According to a recent report by Booz Allen Hamilton, "digital marketing still lags the shift in consumer behavior" prompted by the Internet (Vranica 2007). At the same time, the rise of digital communications channels has focused renewed attention on the efficiency and effectiveness of traditional media and the extent to which new media are a complement to or a substitute for television, print, and other established channels—

all with an eye toward optimal allocation of marketing mix resources through marketing analytics.

“You have to be able to orchestrate a move toward emerging media,” says Greg Welch, head of the CMO practice at Spencer Stuart. “How do you take a traditional media budget and figure out not just how much to allocate to [new] media, but also how to measure it and how to defend it in front of your peer group?” (O’Regan 2007, p. 14). Not surprisingly, many companies have adopted a measured approach to the inclusion of new media in their marketing communication programs until appropriate analytical and modeling techniques can provide better insight into their use. The description of marketing analytics contained in this book offers contemporary perspectives and practices that should provide direction for these marketing mix decisions.

Eighty-plus percent of U.S. consumers are online regularly, and 34% of their media time is spent online. Still, most marketers devote only approximately 5% to 10% of their advertising and promotion dollars to digital media (*Marketing NPV Journal* 2007).

What are the likely reasons for the disconnect between consumer media usage and company media spending? Three are most commonly mentioned: (1) modest budgetary and organizational support for media experimentation, (2) limited business experience with and talent necessary to apply marketing analytics to new media, and (3) insufficient metrics and marketing analytics to measure the efficiency and effectiveness of new media alongside traditional media.

Customer Perceived Quality

The quality customers perceive will typically differ, depending on what strategy a firm uses. According to the model of total perceived quality developed within the Nordic School of Services) the *customer perceived quality* is basically a function of the customer perceptions of two dimensions: the impact of the outcome or the technical solution (*what* the customer receives), and an additional impact based on the customer’s perception of the various interactions with the firm (*how* the so-called “moments of truth” are perceived). The former quality dimension is sometimes called the *technical quality* of the outcome or solution, whereas the latter dimension is called the *functional quality* of the interaction process.

A transaction marketing approach includes no or minimal customer contacts outside the product and other marketing mix variables. The benefits sought by the customers are embedded in the technical solution provided by the product. The customer will not receive much else that will provide him with added value, other than perhaps the corporate or brand image in some cases. Hence, the technical quality of the product, or what the customer gets as an outcome, is the dominating quality creating source in transaction marketing. In relationship marketing the situation is different. The customer interface is broader, and the firm has opportunities to provide its customers with added value of various types (technological, information, knowledge, social, etc.). Hence, the second quality dimension, how the interaction process is perceived, grows in importance. When several firms can provide a similar technical quality, managing the interaction processes becomes imperative also from a quality perception perspective. Thus, *in relationship marketing the functional quality dimension grows in importance and often becomes the dominating one*. Of course, this does not mean that the technical quality can be neglected, but it is no longer the only quality dimension to be considered as one of strategic importance.

Conclusion

Marketing involves a number of activities. To begin with, an organisation may decide on its target group of customers to be served. Once the target group is decided, the product is to be placed in the market by providing the appropriate product, price, distribution and promotional efforts. These are to be combined or mixed in an appropriate proportion so as to achieve the marketing goal. Such mix of product, price, distribution and promotional efforts is known as ‘Marketing Mix’. According to Philip Kotler “Marketing Mix is the set of controllable variables that the firm can use to influence the buyer’s response”. The controllable variables in this context refer to the 4 ‘P’s [product, price, place (distribution) and promotion]. Each firm strives to build up such a composition of 4 ‘P’s, which can create highest level of consumer satisfaction and at the same time meet its organisational objectives. Thus, this mix is assembled keeping in mind the needs of target customers, and it varies from one organisation to another depending upon its available resources and marketing objectives. Let us now have a brief idea about the four components of marketing mix.

Product : Product refers to the goods and services offered by the organisation. A pair of shoes, a plate of dahi-vada, a lipstick, all are products. All these are purchased because they satisfy one or more of our needs. We are paying not for the tangible product but for the benefit it will provide. So, in simple words, product can be described as a bundle of benefits which a marketer offers to the consumer for a price. While buying a pair of shoes, we are actually buying comfort for our feet, while buying a lipstick we are actually paying for beauty because lipstick is likely to make us look good. Product can also take the form of a service like an air travel, telecommunication, etc. Thus, the term product refers to goods and services offered by the organisation for sale.

Price:

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

Place:

Goods are produced to be sold to the consumers. They must be made available to the consumers at a place where they can conveniently make purchase. Woollens are manufactured on a large scale in Ludhiana and you purchase them at a store from the nearby market in your town. So, it is necessary that the product is available at shops in your town. This involves a chain of individuals and institutions like distributors, wholesalers and retailers who constitute firm’s distribution network (also called a channel of distribution). The organisation has to decide whether to sell directly to the retailer or through the distributors/wholesaler etc. It can even plan to sell it directly to consumers

Promotion:

If the product is manufactured keeping the consumer needs in mind, is rightly priced and made available at outlets convenient to them but the consumer is not made aware about its price, features, availability etc, its marketing effort may not be successful.

Therefore promotion is an important ingredient of marketing mix as it refers to a process of informing, persuading and influencing a consumer to make choice of the product to be bought. Promotion is done through means of personal selling, advertising, publicity and sales promotion. It is done mainly with a view to provide information to prospective consumers about the availability, characteristics and uses of a product. It arouses potential consumer's interest in the product, compare it with competitors' product and make his choice. The proliferation of print and electronic media has immensely helped the process of promotion.

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