

Topic 3 – Marketing Mix

Higher Business Management

Learning Intentions / Success Criteria

Learning Intentions

Marketing mix

Success Criteria

Learners should be able to **describe** and **explain**:

- the synergy in the combination of price, product, place, promotion, people, process and physical evidence if marketing of a product is to be successful
- possible ways of blending the elements mentioned above and/or consider each as a separate strategy
- the impact of one element on another.

Marketing Mix

The basic marketing mix consists of the 4 Ps:

- Product
- Price
- Place
- Promotion



Organisation must get the balance between the elements of the marketing mix correct in order to be successful.

Extended Marketing Mix

Because organisations are now closely focused on their customers, the extended marketing mix (or service marketing mix) is commonly being used and is made up of 7 Ps. The extended marketing mix consists of the basic marketing mix with an additional 3 Ps:

- **Process** – the different processes and systems used to deliver the service being provide.
- **People** – those involved in providing the service to customers, e.g. staff.
- **Physical evidence** – the location of where the service is being offered and what it looks like, e.g. store layout and design.

Process

- Process is important because customers expect the service they receive to be efficient and reliable.
- New ways of providing a service have to be offered to customers through, for example, smartphones and tablet computers.
- Businesses have to keep monitoring their processes and updating them when necessary to make sure customers receive what they expect.

People

- People is important because customers expect to receive a high quality service.
- Making sure the correct people are employed and then trained is important in achieving this.
- Rewarding them and encouraging them to work hard is also important.

Physical Evidence

- Physical evidence is important because it helps a customer to distinguish one organisation from another.
- It includes the layout, design and facilities available within a store or where the service is being provided.
- In a supermarket, the fixtures and fittings within the store will create an impression as well as the signage and facilities available.
- A hotel user will judge the physical evidence of the quality of the bed provided as well as the facilities that the hotel has to offer, for example, swimming pool and restaurant.
- Customers are unlikely to purchase from a business if physical evidence is poor, e.g. you wouldn't buy meat from a counter in a supermarket that was dirty!