

An Analysis of Marketing Mix: 7Ps or More

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Abstract: The main purpose of this study is to analysis the present marketing mix applies to marketing. This analysis provides an idea to marketer, and can be used as a tool to assist marketing strategies. This is a descriptive and survey research. According to research aim, seven hypotheses are provided and tested by one sample t-test. As a result, hypotheses on price, location, promotion, product, operation management and physical assets which show lower than average status of these elements were confirmed. The only hypothesis that was rejected was the hypothesis related to the personnel element. This shows the proper condition of this element of marketing mix. The marketing mix is the combination of marketing activities that an organization engages in so as to best meet the needs of its targeted market. Traditionally the marketing mix consisted of just 4 Ps.

Keywords: Marketing mix, P

1. Introduction

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 organization

(Low and Tan, 1995). The additional Ps have been added because today marketing is far more customer oriented than ever before, and because the service sector of the economy has come to dominate economic activity in this country. These 3 extra Ps are particularly relevant to this new extended service mix.

2. Literature Review:-

Needs and demand of man is the starting point for marketing activities which pave the ground for sharing products and transaction through demand for products. Cooperatives are also established to satisfy the common needs of people. In contrary to other entities which satisfy human needs and demands through other ways, in cooperatives needs are met by members in a manner that members try to meet their own needs and demands. (Mostaani). In the time of serious problems, cooperatives can be a hopeful option. (Mikami).

The beginning of cooperatives adding movements backs to the

establishment of a Rochdale's Fair Company in 1844. Cooperation refers to a collective and systematic voluntarily operation. (Abbassi). Navcovic believes that cooperatives are democratic organizations which create a benefit for their members. (Allen, 2001). Cooperatives has an important status in Iranian Constitutional Law which has led into the expansion of cooperative activities and forums and their remarkable growth. (Logistics). According to the law, cooperatives are categorized in three ranks one of them is consumption field. (Andersen, 1999) to statistics provided by Cooperative Ministry, there were 155,241 registered cooperatives by Co-operative Ministry until March 2010.

By using marketing mix, cooperatives can further meet their members' needs and expand their sale in their nonmember markets. (Mostaani, 2005). The initial studies on marketing mix were conducted

by Harvard University in 1929 (Jersey, 1991) while the management paradigm of marketing mix was dominated the market since 1940. In 1964, McCarty developed this idea and revised them as principles recognized as 4Ps today (Beckwith, 2001).

Marketing mix includes four elements namely product, price, promotion and place (Bennett, 1997). Owing to the fact that any decision on each element should be compatible with other three elements, marketing mix term was selected. (Bhatt, 2001). In reality, marketing mix is a set of tools by which entities achieve their marketing goals in their target markets. (Boekema, 1995). Booms and Bitner believe that services need another type of marketing and a different type of marketing mix. To the same reason, they distinguished service marketing from product marketing. In their market-

ing mix, three Ps namely personnel, physical assets and procedures were added and finally 7Ps were shaped. (Culliton, 1948). Below, one can find the definition

of marketing mix elements: Product is all necessary components and elements to do a service which generate value for customer (Davis, 1997). Product is an element of marketing mix which respecting it in cooperatives leads into the satisfaction of members and customers. For instance, supplying products with a credible brand and attractive package increase the sale in addition to the satisfaction of customers. (Mostaani, 2005).

Price and other costs of service sector show the management of various costs endured by customers in achieving the advantages from generating the services (Davis, 1997). In consumer cooperatives, the first and main aim is to satisfy members that should be considered in pricing followed by achieving the profit, sale increase, more share in the market, survival and development of the company . (Mostaani, 2005).

Place is the managerial decisions on where customers should be provided with services and it may include electronic/physical distribution channels (Davis, 1997). Consumer cooperatives are a kind of distribution channels which can establish the relationship between consumers and manufacturers and play a vital role in mitigating the prices and preventing the growth of unnecessary dealers. (Mostaani, 2005).

The value and importance of promotion for service organization is in the benefits achieved from buying their services. In many cases, promotional methods are similar for services and products. (Davis, 1997). In the position of economic corporation, consumer cooperatives have the function to distribute products among members and other consumers and it is necessary that they move toward promotional activities to increase their sale. Personnel are a main component in providing services (Doyle, 1994). According to Pheng and Martin, personnel are the only component that provides customers with services.

Since consumer cooperatives are firms in which employees face with consumers directly, such organizations try to achieve a special situation in the market through training their employees on sale knowledge and how to treat with customers. (English, J., 2000).

Procedure management ensures availability and sustainable/proper quality of services. The task and role of this component of marketing mix is to balance service demand and supply (Evans, 1999). By improving the procedure of providing services to customers, cooperatives can pave the ground for consumers' convenience which leads into repurchase and, finally, sale increase. Physical assets refer to environment and facilities needed by companies to provide services to their customers. (Fakeideas, 2008) Consumer cooperatives can expand consumers' choices by providing facilities like self-service, paramount shelves, etc as same as big shops and can prevent that a buyer leaves the company without any purchase. In their study, Safari, Aryanfar and Ebrahimi studied

Considering new economic conditions of the country on the objectivity of subsidies and owing to the fact that removing the problems of consumer cooperatives impacts on purchase increase and the level of members' lives directly, the author decided to measure the status of marketing mix in consumer cooperatives and to provide guidelines to enhance marketing mix

In order to improve the performance of such cooperatives and to meet members' satisfaction.

To this end, seven hypotheses are devised:

- 1) The status of product in consumer cooperatives is lower than average;
- 2) The status of personnel in consumer cooperatives is lower than average;
- 3) The status of procedure management in consumer cooperatives is lower than average;

- 4) The status of physical assets in consumer captives is lower than average.
- 5) The status of price in consumer cooperatives is lower than average;
- 6) The status of place in consumer cooperatives is lower than average;
- 7) The status of promotion in consumer cooperatives is lower than average;

3. Methodology:

Present study is a quantitative and applied one and it is a descriptive-survey in terms of research type. To collect information on research background and theoretical framework, library method and to collect needed information on testing the hypotheses and measuring members' opinions, feasibility study method along with a questionnaire is used. The validity of the questionnaire is confirmed by connoisseurs and its reliability is also supported by using Cronbach's alpha (0.814).

4. 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 7P policies remains largely the task of various departments and persons within the organization. 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 concept of 4Ps has been criticized 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. Möller (2006) highlighted 3-4 key criticisms against the Marketing Mix framework:

1. The Mix does not consider customer behaviour but is internally oriented.
2. The Mix regards customers as passive; it does not allow interaction and cannot capture relationships.
3. The Mix is void of theoretical content; it works primarily as a simplistic device focusing the attention of management.
3. 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:
4. The mix does not take into consideration the unique elements of services marketing.
5. 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.

6. 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'.

5. Discussion and Conclusion

Marketing mix management paradigm has dominated marketing since 1940s and McCarthy (1964) further developed this idea and refined the principle to what is generally known today as the 4Ps. However, in the post dot-com boom, marketing managers are learning to cope with a whole host of new marketing elements that have emerged from the online world of the Internet. In some ways these new marketing elements have close analogs in the offline world, and yet from another perspective they are revolutionary and worthy of a new characterisation into the E-Marketing mix (or the e-marketing delta to the traditional marketing mix) (Kalyanam and McIntyre, 2002).

Analysis by implementation in different places:-

Price

- 1) Cheaper prices of cooperatives' products compared to other shops
- 2) Discount
- 3) Credit purchase
- 4) Adoption of commodities' prices to members' expectations
- 5) Purchase by installments

Place

- 1) Needs to cooperatives in the region
- 2) Easy access to cooperatives by public transportation
- 2) Transportation of members' purchased commodities by cooperatives
- 3) Using telephone and other communicational tools to order

Promotion

- 1) Using awards in cooperatives to encourage members
- 2) Using deadline incentive to encourage members
- 3) Plans of cooperatives to penetrate into members' insights and beliefs
- 4) Popularity of the cooperative as a distinguished shop
- 5) Using members' ideas and proposals

Product

- 1) Diversity of cooperatives' commodities
- 2) Delivering the goods with well-recognized brands
- 3) Quality of supplied commodities
- 4) Attractive package of commodities
- 5) Delivering the newest commodities in cooperatives

Personnel

- 1) Providing necessary advices by personnel to shoppers
- 2) Employees' courtesy
- 3) Employees' enthusiasm to respond members' questions

- 4) Employees' skills and knowledge to sale the products

Procedure management

- 1) Self-services
- 2) Investigating and resolving shoppers' problems during shopping
- 3) Considering the importance of shoppers' time
- 4) Categorizing the products based on members' convenience

Physical assets

- 1) Beautiful decoration of the cooperative
- 2) Proper amenities like refrigerator and electronic scale
- 3) Physical facilities like wheeled baskets
- 4) Calm and enjoyable ambience of the cooperative

It shows the low position of marketing mix 7Ps in somewhere that among marketing mix components, Personnel have the best and promotion has the worst status.

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