



## Marketing Mix: A Review of P

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### Abstract

There has been a lot of debate in identifying the list of marketing mix elements. The traditional marketing mix by McCarthy (1964) has regrouped Borden's (1965) 12 elements and has comprised to four elements of product, price, promotion and place. A number of researchers have additionally suggested adding people, process and physical evidence decisions (Booms and Bitner, 1981; Fifield and Gilligan, 1996). The other suggested Ps are personnel, physical assets and procedures (Lovelock, 1996; Goldsmith, 1999); personalisation (Goldsmith, 1999); publications (Melewar and Saunders, 2000); partnerships (Reppel, 2003); premium price, preference of company or product, portion of overall customer budget and permanence of overall relationship longevity (Arussy, 2005); and 2P+2C+3S formula (Otlacan, 2005), therefore personalisation, privacy, customer Service, community, site, security and sales promotion.

### Introduction

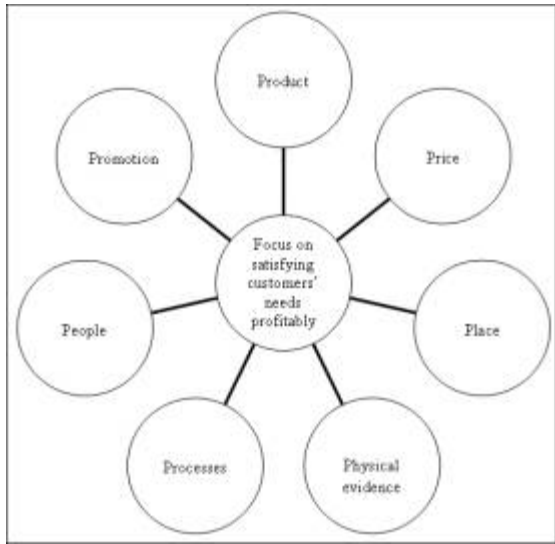
After first marketing mix concept has been claims introduced by Borden (1965) that was suggested to him by Culliton (1948), and has been refined this further and defined the marketing mix as a combination of all of the factors at a marketing manager's command to satisfy the target market by McCarthy's (1964), numerous modifications to the 4Ps framework have been proposed (Rafiq and Ahmed, 1995). The marketing mix has dominated marketing thought, research and practice since it was introduced almost 40 years ago (Groenroos, 1994). Marketing mix means of translating marketing planning into practice (Bennett, 1997).

### Marketing Mix

Marketing mix is the set of the marketing tools that the firm uses to pursue its marketing objectives in the target market (Kotler, Ang, Leong and Tan, 1999). Theories of marketing management and strategy need to evolve and change to keep pace with changes in the marketplace and in marketing practice (Goldsmith, 1999). Central to marketing management is the concept of the marketing mix

(see Figure 1). The marketing mix is not a theory of management that has been derived from scientific analysis, but a conceptual framework which highlights the principal decisions that marketing managers make in configuring their offerings to suit customers' needs. The tools can be used to develop both long term strategies and short term tactical programmes (Palmer, 2004).

**Figure 1: The Marketing Mix**



*Adapted from: Palmer (2004)*

The original of Borden's (1965) marketing mix includes product planning, pricing, branding, channels of distribution, personal selling, advertising, promotions, packaging, display, servicing, physical handling, as well as fact finding and analysis. However, all the 12 elements did not be fixed or sacrosanct (Rafiq and Ahmed, 1995).

Frey (1961) has suggested that marketing variables should be divided into two parts. The first part covers the offering that includes product, packaging, brand, price and service. Second part refers to the methods and tools that include distribution channels, personal selling, advertising, sales promotion and publicity.

Another suggestion has been arising to suggest three elements: the goods and services mix, the distribution mix and the communication mix (Lazer and Kelly, 1962; Lazer et al. 1973; Rafiq and Ahmed, 1995).

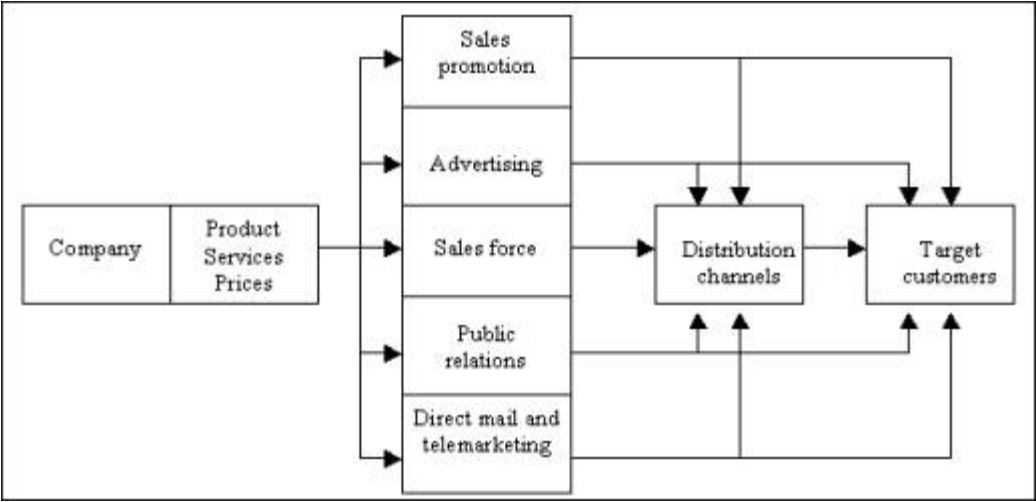
Finally, McCarthy (1964) has regrouped Borden's 12 elements to the 4Ps. Figure 2 shows the marketing variables under the each P and Figure 3 shows the company preparing an offer mix of the products, services, and price, and utilising a promotion mix of sales promotion, advertising, sales force, public relations, and direct mail to reach the distribution channels and the target consumers (Kotler, Ang, Leong and Tan, 1999).

**Figure 2: The 4Ps of the Marketing Mix**



Adapted from: Kotler, Ang, Leong and Tan (1999)

Figure 3: Marketing Mix Strategy



Adapted from: Kotler, Ang, Leong and Tan (1999)

Evolutionary of P

In the context of services marketing, Booms and Bitner (1981) has suggested another extra 3Ps that contain people, physical evidence and process. People refer to all people directly or indirectly involved in the consumption of a service, example employees or other consumers. Process is all about the procedure, mechanisms and flow of activities by which services are consumed. Finally, physical evidence, that related to the environment in which the service is delivered. It also includes tangible goods that help to communicate and perform the service (see Table 1). Fifield and Gilligan (1996) also has identifies extra 3Ps that shows some similarity with Booms and Bitner (1981) framework, therefore process, physical and people.

Table 1: 4Ps and Booms & Bitner's 3Ps

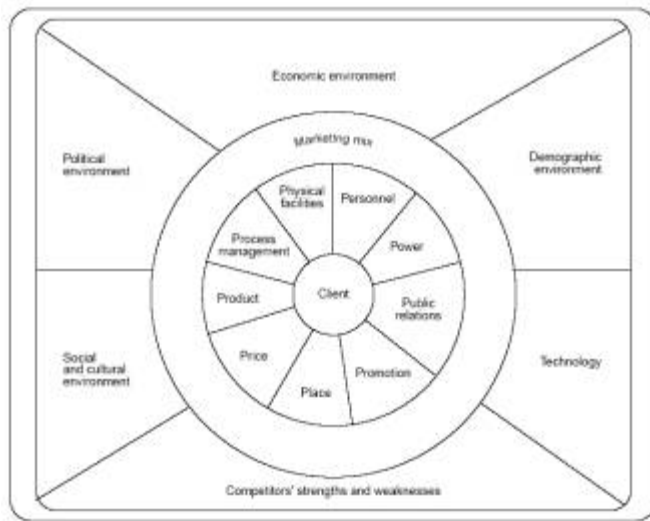
Product	Price	Place	Promotion	Participants	Physical evidence	Process
Traditional						
Quality	Level	Distribution	Advertising			
Features and	Discounts and	Channel	Personal selling			
Option	Allowances	Distribution	Sales promotion			
Style	Payment terms	Coverage	Publicity			
Brand name		Outlet locations				
Packaging		Sales territories				
Warranty		Inventory levels				
Service level		And locations				
Other services		Transport				
		Carriers				
Adapted from: Kotler (1976); Rafiq and Ahmed (1995)						
Modified and expanded for services						
Quality	Level	Location	Advertising	Personnel	Environment:	Policies
Brand name	Discounts and	Accessibility	Personal selling	Training	Furnishings	Procedures
Service line	Allowances	Distribution	Sales promotion	Discretion	Colour	Mechandisation
Warranty	Payment terms	Channel	Publicity	Commitment	Layout	Employee
Capabilities	Customer's	Distribution	Personnel	Incentives	Noise level	Discretion

own						
Facilitating	Perceived	Coverage	Physical	Appearance	Facilitating	Customer
Goods	Value		Environment	Interpersonal	Goods	Involvement
Tangible clues	Quality/ price		Facilitating	Behaviour	Tangible clues	Customer
Price	Interaction		Goods	Attitudes		Direction
Personnel	Differentiation		Tangible clues	Other customers:		Flow of
Physical			Process of	Behaviour		Activities
Environment			Service	Degree of		
Process of			Delivery	Involvement,		
Service				Customer/		
Delivery				Customer		
				Contact		

Adapted from: Booms and Bitner (1981); Rafiq and Ahmed (1995)

Marketing strategy development may therefore be viewed as developing a marketing mix aimed at satisfying the needs of selected markets and accomplishing specific marketing objectives. All activities are affected by two general kinds of variables, therefore those relating to the marketing mix, and those relating to the marketing environment (see Figure 4). The other Ps are power, public relations, physical facilities, personnel and process management. In order to achieve organisational goals, the marketer must be engaged constantly in fashioning a mix of marketing procedures and policies to cope with the dynamic environment or known as the uncontrollable variables (Low and Tan, 1995).

**Figure 4: An Overview of the Marketing Environment**



*Adapted from: Low and Tan (1995)*

◆ Services marketing theorists have taken great pains to distinguish services marketing from product marketing. A major portion of this effort has focused on rethinking the marketing mix and showing how it is different for services. By demonstrating that the marketing of services requires different decisions than goods marketing requires, these thinkers present services marketing as a unique and distinct type of marketing. The services marketing mix differs chiefly from the 4Ps by the addition of three new decision responsibilities that must be integrated to form a coherent and effective services marketing mix. By adding personnel, physical assets, and procedures to the marketing mix, forming the 7Ps, services marketing theorists staked out a new field of management theory and practice separate from the marketing of tangible goods◆ (Lovelock, 1996; Goldsmith, 1999). ◆ This conceptual advance has, in turn, caused a re-evaluation of traditional marketing management thought by obscuring the boundary between goods and services, forcing the realisation that many products consist of elements of both tangible goods and intangible services◆ (Goldsmith, 1999).

Theories of marketing management and strategy need to evolve and change to keep pace with changes in the marketplace and in marketing practice. As the next century draws closer, it is apparent that some marketing managers are basing their relationships with customers on policies and procedures called either ◆ individualisation◆, ◆ mass-customisation◆, or ◆ personalisation◆. The core of this practice involves tailoring goods and services to the individual needs and wants of specific consumers, just the opposite of one-size-fits-all (Goldsmith, 1999). Goldsmith (1999) propose that personalisation is so important to marketing strategy that it should become one of the featured elements of the marketing mix, alongside product, price, promotion, place, personnel, physical assets and procedures to form a new marketing mix, the 8Ps.

Based on Melewar and Saunders (2000) study, designers have used Corporate Visual Identity Systems (CVIS) to widen the communications mix based on the eight Ps. The eight Ps is based on the traditional four Ps (product, price, promotion, and place), with Booms and Bitner◆s (1981) extra added three Ps, service marketing◆s extra 3Ps (participation, physical evidence, and process); and the new P added, publications. CVIS component covers clothing, buildings, and vehicles, and the publications cover the stationary, forms and general publications.

In the context of relationship marketing (to consumers) or key-account management (in industrial marketing), it could be argued to add partnerships as an additional P to the marketing mix. Main reason for this addition would be the growing focus in marketing toward long-term orientation that needs to be considered in most marketing concepts (Reppel, 2003).

Arussy (2005) believes that the traditional 4Ps were subjected to massive depreciation. It is time to face the emerging new Ps, around which each company must build leadership and core competency, therefore premium price, preference of company or product, portion of overall customer budget and permanence of overall relationship longevity. Unlike the old 4Ps, which represented the company◆s choices and decisions and were driven by the company◆s actions, these 4Ps are driven by customer actions and finally incorporate customers into the centre of a company◆s principles. Premium price is about your ability to charge and obtain a higher price. Preference for products and services goes beyond selection of a product. Portion of budget is all about providing your company

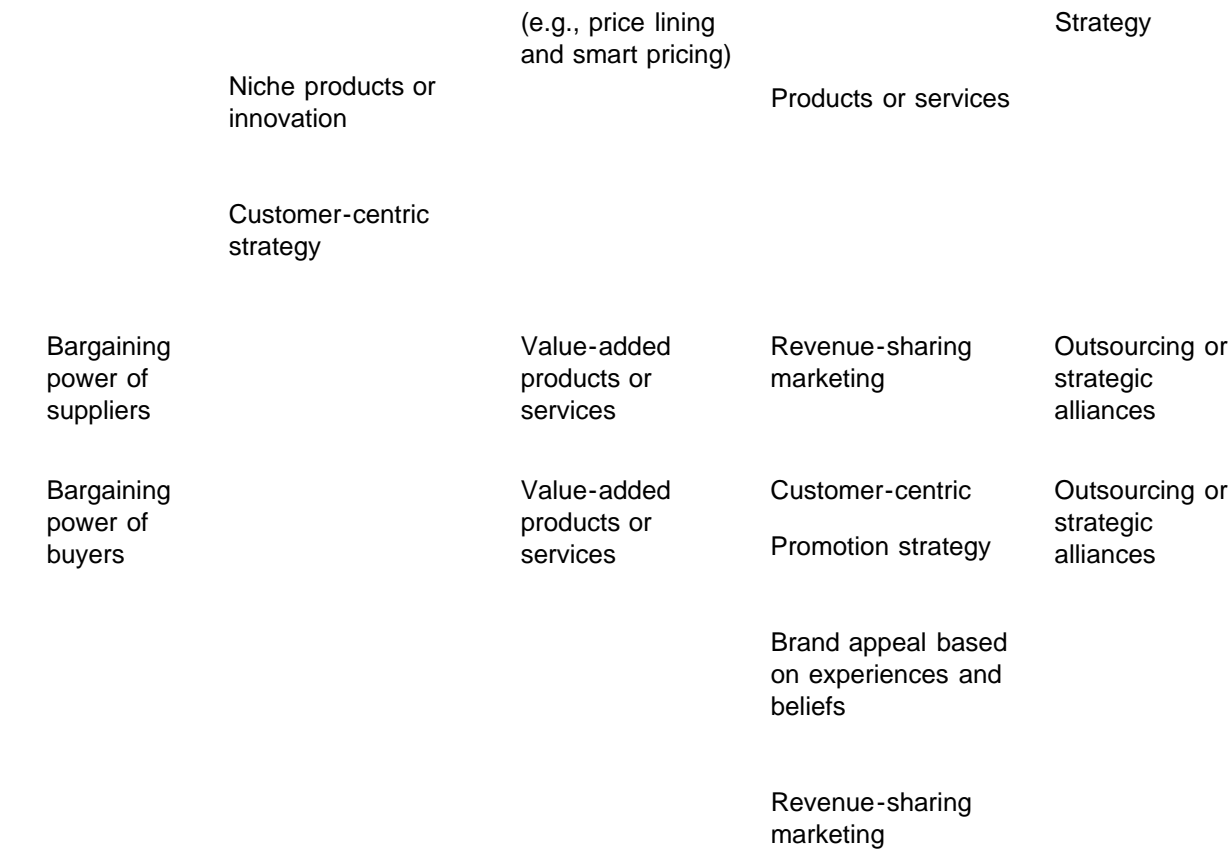
with a larger portion of the customer’s total budget. Permanence, as in personal relationships, is the ultimate measure.

## E-Marketing Strategy

By understanding the impact of the Internet on marketing mix and competitive forces, E-business managers can adopt appropriate strategies for meeting the unique challenges of E-business. A look at E-business strategies composed of the five competitive forces and the four marketing mix (see Table 2) shows that there is no single optimal business strategy for E-commerce because the sources of competitive advantage differ across different industries or markets. By the same token, in industries or markets where different levels of competitive forces are present, certain combinations of product, price, promotion and place strategies may not work for gaining competitive advantage (Shin, 2001)

**Table 2: Business Online Strategies for Competitive Advantage: Product, Price, Promotion and Place Strategies Responding to Five Competitive Forces**

	Product	Price	Promotion	Place
Threat of new entrants	Product differentiation (e.g., bundling)	Price discrimination	Customer-centric Promotion strategy	Outsourcing or strategic alliances
	Niche products or innovation	(e.g., price lining and smart pricing)	(One-to-one marketing or relationship marketing)	Clicks-and-mortar strategy (Integration of Online and Offline businesses)
	Customer-centric Strategy	Cost leadership		
	Expansion into a related product line	Value-added products or services	Brand appeal based on experiences and beliefs	
			Revenue-sharing marketing (many to-many marketing or performance-based marketing)	
Rivalries among existing firms	Product differentiation (e.g. bundling)	Price discrimination	Customer-centric Promotion strategy	Outsourcing or strategic alliances
	Niche products or innovation	(e.g., Price lining and smart pricing)		Clicks-and-Mortar strategy
		Cost leadership	Brand appeal based on experiences and beliefs	
	Customer-centric strategy	Value-added products or services	Revenue-sharing marketing	
	Expansion into a related product line			
Threat of substitutes	Product differentiation (e.g., bundling)	Price discrimination	Cost leadership	Clicks-and-Mortar
			Value-added	

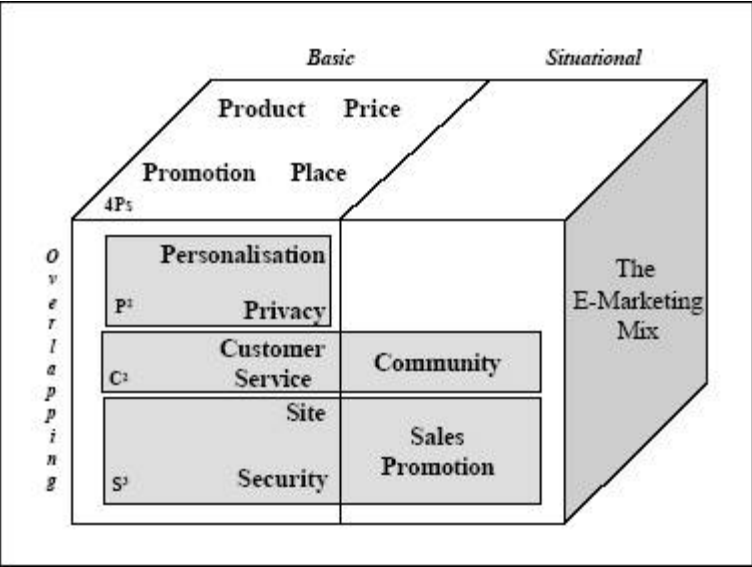


Adapted from: Shin (2001)

E-marketing strategy is based and built upon the principles that govern the traditional, offline marketing or 4Ps that form the classic marketing mix. The extra 3Ps, people, processes and proof provide the whole extended marketing mix. The extended marketing mix (4 + 3Ps) is built around the concept of ♦transactional♦ and its elements perform transactional functions defined by the exchange paradigm. What gives E-marketing its uniqueness is a series of specific functions, relational functions that can be synthesised in the 2P+2C+3S formula (personalisation, privacy, customer service, community, site, security and sales promotion) (see Figure 5). These 7 functions of the E-marketing stay at the base of any E-marketing strategy and they have a moderating character, unlike the classic marketing mix that comprises situational functions only. Moderating functions of E-marketing have the quality of moderate and operate upon all situational functions of the classic 4 Ps and upon each other (Otlacan, 2005). Figure 6 illustrates how the E-marketing tools are classified into the functions of the E-marketing mix. E-marketing implies new dimensions to be considered aside of those inherited from the traditional Marketing. These dimensions revolve around the concept of relational functions and they are a must to be included in any E-marketing strategy in order for it to be efficient and deliver results (Otlacan, 2005).

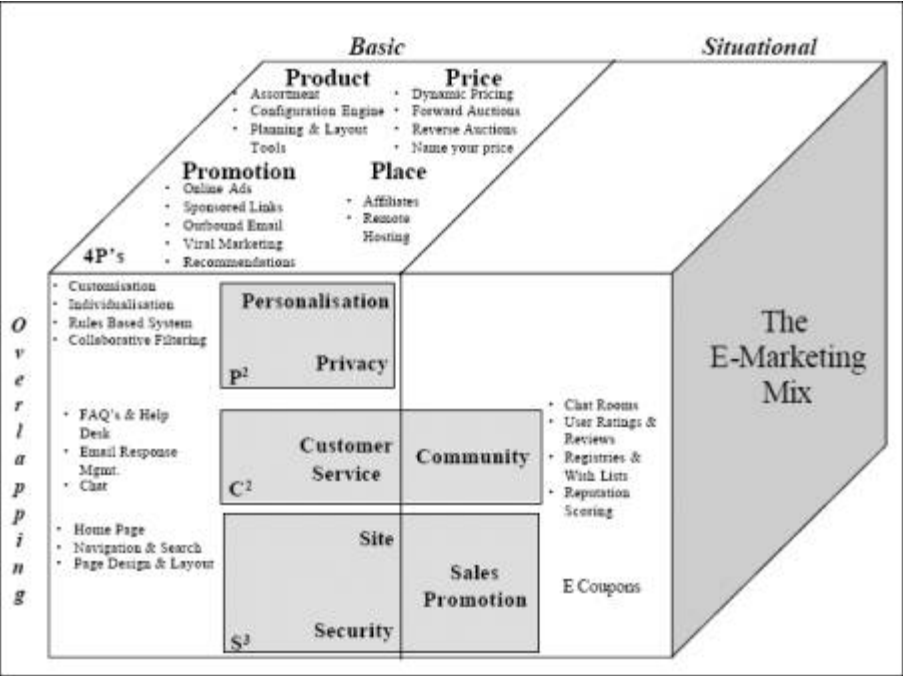
Figure 5: The E-Marketing Mix





Adapted from: Kalyanam and McIntyre (2002)

Figure 6: A Taxonomy of E-Marketing Tools



Adapted from: Kalyanam and McIntyre (2002)

Conclusion

◆There is no clear yes or no regarding the usefulness of any possible extension to the traditional 4Ps approach in marketing◆ (Reppel, 2003). However, ◆the definition of the elements of the marketing mix is largely intuitive and semantic. The list of mix elements has a lot of everyday practice value because it

provides headings around which management thoughts and actions can be focused (Palmer, 2004). Seem the marketing activity still going on and active, the marketing strategy may be need to be redefined based on the current and future's needs and requirements.

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