

# UNIT 4: MARKETING PRINCIPLES

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WEEK ELEVEN  
LECTURER: N. QUARRIE

# Learning Outcome Three (3) and Four (4)

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- LO3 Understand the individual elements of the extended marketing mix
- LO4 Be able to use the marketing mix in different contexts

# Objectives

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- By the end of this lesson you should be able to:
- 3.5 analyse the additional elements of the extended marketing mix
- 4.1 plan marketing mixes for two different segments in consumer markets



# Overview

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- As things as times improve and change, so too has the content and theories behind the operations of the marketing functions of a business. Modern times have seem in increased in the number of marketing mix elements. We will use this lesson to discuss those additional marketing mix as well as, plan marketing mixes for two different segments in consumer markets:
  - The shift from the 4Ps to the 7Ps: product-service continuum; concept of the extended marketing mix; the significance of the soft elements of marketing (people, physical evidence and process management)
  - Consumer markets: fast moving consumer goods; consumer durables; coordinated marketing mix to achieve objectives

# Concept of the extended marketing mix

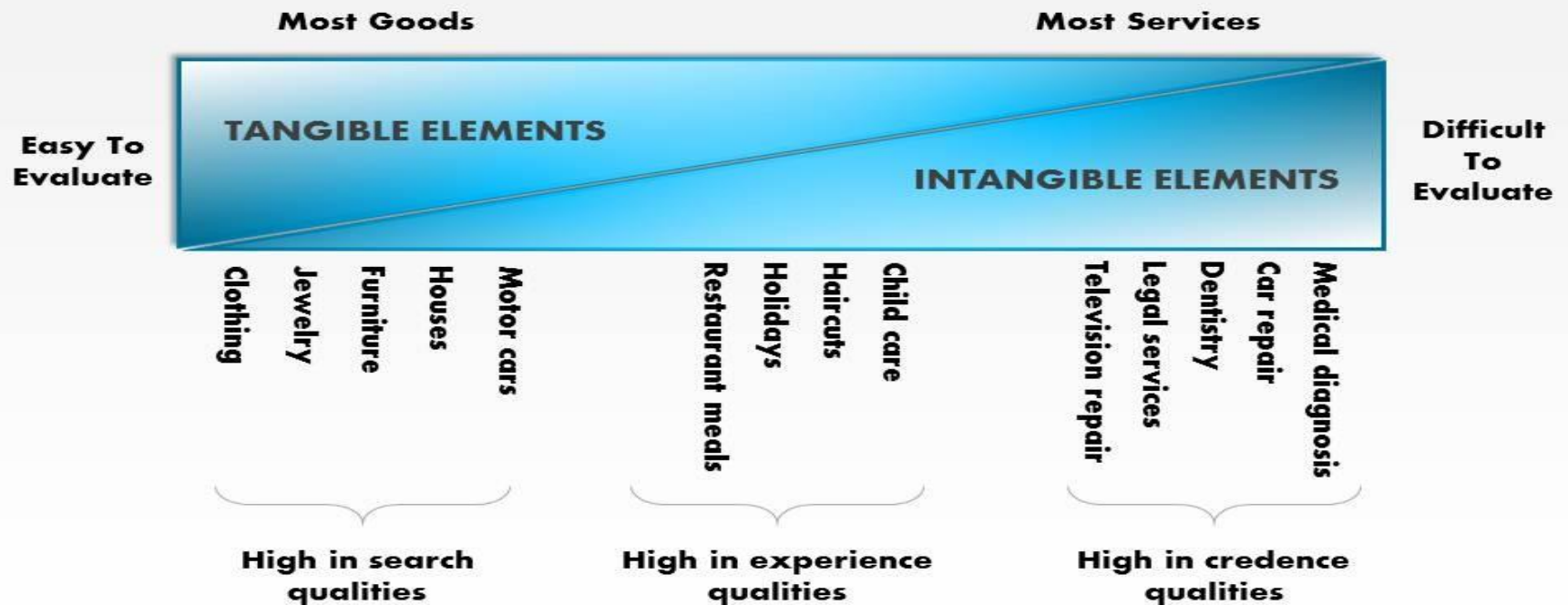
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- “the original, four-pronged approach to marketing only catered to just the marketing of a product, a need developed for the marketing mix to include how a service would be marketed. The need for a change came about because services are different from products in that they are intangible, perishable, inseparable, and heterogeneous, and as a result, different strategies need to be considered. These three new Ps, invented by Booms and Bitner in the early 80s, were people, physical evidence, and process, thus completing the extended marketing mix (Johnson, 2014)”

# Product-service continuum

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## The Goods/ Service Continuum



Your Logo

# Additional elements of the extended marketing mix: People

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- **“People** – People is one of the elements of service marketing mix. People define a service. If you have an IT company, your software engineers define you. If you have a restaurant, your chef and service staff defines you. If you are into banking, employees in your branch and their behavior towards customers defines you. In case of service marketing, people can make or break an organization. Thus many companies nowadays are involved into specially getting their staff trained in interpersonal skills and customer service with a focus towards customer satisfaction. In fact many companies have to undergo accreditation to show that their staff is better than the rest. Definitely a USP in case of services. (Bhasin, 2016)”

# Additional elements of the extended marketing mix: Process

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- **“Process** – Service process is the way in which a service is delivered to the end customer. Lets take the example of two very good companies – Mcdonalds and Fedex. Both the companies thrive on their quick service and the reason they can do that is their confidence on their processes. On top of it, the demand of these services is such that they have to deliver optimally without a loss in quality. Thus the process of a service company in delivering its product is of utmost importance. It is also a critical component in the service blueprint, wherein before establishing the service, the company defines exactly what should be the process of the service product reaching the end customer (Bhasin, 2016)”

# Additional elements of the extended marketing mix: Physical Evidence

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- **“Physical Evidence** – The last element in the service marketing mix is a very important element. As said before, services are intangible in nature. However, to create a better customer experience tangible elements are also delivered with the service. Take an example of a restaurant which has only chairs and tables and good food, or a restaurant which has ambient lighting, nice music along with good seating arrangement and this also serves good food. Which one will you prefer? The one with the nice ambience. That’s physical evidence. Several times, physical evidence is used as a differentiator in service marketing. Imagine a private hospital and a government hospital. A private hospital will have plush offices and well dressed staff. Same cannot be said for a government hospital. Thus physical evidence acts as a differentiator (Bhasin, 2016)”

# How to plan marketing mixes for two different segments in consumer markets

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- To do this you need to first identify which company and product/service you will be focusing on
- Then identify two different market segments that you will be working with. Eg group of male consumers from rural Jamaica and group of male consumers from urban Jamaica

# How to plan marketing mixes for two different segments in consumer markets

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- You could then use to table to outline/plan/document how you will be using these marketing mix elements as it relates to the product/service. Eg:

	<b>Rural Male customers</b>	<b>Urban Female Customers.</b>
Price	A price of \$25 will be charged. There are few competitors. The method to be used is premium pricing. etc	The price that will be charges is \$20. Price penetration method was used to do this pricing as there are many existing similar firms in this area
Place		
Product		

# How to plan marketing mixes for two different segments in consumer markets

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During the planning etc of marketing mixes for segments in consumer markets you must take the following into consideration.

- fast moving consumer goods;
- consumer durables;
- coordinated marketing mix to achieve objectives

# Plan marketing mixes for two different segments in consumer markets

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**Group work: Select a company and product and Plan marketing mixes for two different segments in consumer markets.**

# References/Additional Reading List

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1. Bhasin, H. (2016). *Service Marketing Mix - 7Ps of marketing mix*. [online] Marketing91.com. Available at: <http://www.marketing91.com/service-marketing-mix/> [Accessed 24 Nov. 2016].
2. Johnson, M. (2014). *Cite a Website - Cite This For Me*. [online] Blog.udemy.com. Available at: <https://blog.udemy.com/extended-marketing-mix/> [Accessed 24 Nov. 2016].