

10.14: Defining the Marketing Mix

Learning Objectives

- Define product
- Define promotion
- Define place
- Define price

Reaching Customers through the Marketing Mix

The value proposition is a simple, powerful statement of value, but it is only the tip of the iceberg. How do marketing professionals ensure that they are reaching and delivering value to the target customer?

Take yourself, as a “target customer.” Think about your cell phone. What would make you want to buy a new one? How might the following issues affect your purchasing decision?

- Features: A company has just released a new phone with amazing features that appeal to you.
- Price: You’re concerned about the price—is this phone a good deal? Too expensive? So cheap that you suspect there’s a “catch”?
- Information: How did you find out about this phone? Did you see an ad? Hear about it from a friend? See pictures and comments about it online?
- Customer service: Is your cell service provider making it easier for you to buy this phone with a new plan or an upgrade?
- Convenience: Could you easily buy it online in a moment of indulgence?

You can see there are multiple factors that might influence your thinking and decision about what to buy—a *mix* of factors. Taken together, these factors are all part of the “marketing mix.”

Organizations must find the right combination of factors that allow them to gain an advantage over their competitors. This combination—the marketing mix—is the combination of factors that a company controls to provide value to its target customers.

The following video illustrates how the marketing mix changes depending on the target customer:

A link to an interactive elements can be found at the bottom of this page.

You can [view the transcript for “Value Creation Through the Marketing Mix”](#) (opens in new window).

Evolving Definitions of the Marketing Mix

There are a few different ways the marketing mix is presented. During the 1950s the components of the marketing mix were conceived as the “four Ps” and were defined as follows:

1. Product: the goods and services offered
2. Promotion: communication and information
3. Place: distribution or delivery
4. Price: ensuring fair value in the transaction^[1]

THE MARKETING MIX



Today, this categorization continues to be useful in understanding the basic activities associated with marketing. The marketing mix represents the way an organization's broad marketing strategies are translated into marketing programs for action.

? PPractice Questions

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Over time, new categories of the marketing mix have been proposed. Most are more consumer oriented and attempt to better fit the movement toward a marketing orientation and a greater emphasis on customer value. One example is the four Cs, proposed by Robert F. Lauterborn in 1990:

1. Customer solution: what the customer wants and needs
2. Communication: a two-way dialogue with the customer
3. Convenience: an easy process to act or buy
4. Cost: the customer's cost to satisfy that want or need^[2]

The four Cs include a greater focus on the customer but align nicely with the older four Ps. They also enable one to think about the marketing mix for services, not just products. While it is difficult to think about hotel accommodations as a distinct *product*, it is much easier to think about a hotel creating a *customer solution*. You can see how the four Ps compare with the four Cs in the chart below:

The Four Ps and the Four Cs

Four Ps	Four Cs	Definition
Product	Consumer solution	A company will only sell what the consumer <i>specifically</i> wants to buy. So, marketers should study consumer wants and needs in order to attract them one by one with something he/she wants to purchase.
Promotion	Communication	Communications can include advertising, public relations, personal selling, viral advertising, and any form of communication between the organization and the consumer.

Place	Convenience	In the era of Internet, catalogs, credit cards, and smartphones, often people don't have to go to a particular place to satisfy a want or a need, nor are they limited to a few places to satisfy them. Marketers should know how the target market prefers to buy, how to be there and be ubiquitous, in order to provide <i>convenience of buying</i> . With the rise of Internet and hybrid models of purchasing, "place" is becoming less relevant. Convenience takes into account the ease of buying the product, finding the product, finding information about the product, and several other factors.
Price	Cost	Price is only a part of the total <i>cost to satisfy</i> a want or a need. For example, the total cost might be the <i>cost of time</i> in acquiring a good or a service, along with the <i>cost of conscience</i> in consuming it. It reflects the total cost of ownership. Many factors affect cost, including but not limited to the customer's cost to change or implement the new product or service and the customer's cost for not selecting a competitor's product or service.

Whether we reference the four Ps or the four Cs, it is important to recognize that marketing requires attention to a range of different approaches and variables that influence customer behavior. Getting the right mix of activities is essential for marketing success.

Competitors and the Marketing Mix

The challenge of getting the right marketing mix is magnified by the existence of competitors, who exert market pressures using strategies defined by their marketing mix alternatives. Remember, the purpose of the marketing mix is to find the right combination of product, price, promotion, and distribution (place) so that a company can gain and maintain advantage over competitors.

1. McCarthy, Jerome E. (1964). *Basic Marketing. A Managerial Approach*. Homewood, IL: Irwin. ↵
2. Lauterborn, B. (1990). New Marketing Litany: *Four Ps Passé: C-Words Take Over*. Advertising Age, 61(41), 26. ↵

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