

MARKETING MANAGEMENT

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Topic – Marketing Mix

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Contents

Marketing Mix.....	2
Meaning & Definitions	2
Elements of Marketing Mix:.....	2
Factors affecting the Marketing Mix.....	4
1. Internal or Controllable factors:	4
2. External or Uncontrollable factors:.....	4

Marketing Mix

Meaning & Definitions

The consumer is the sovereign and the most important factor for manufacturer in the consumer-oriented market of the country. Thus, the consumer is the nerve centre for the performance of all marketing activities. For the consumer's satisfaction, a manufacturer adopts production and sales strategy for a product or service.

Marketing Mix is the term popularised by Neil H. Border and is used to describe the combination of the fair inputs which constitute the core at a company's marketing system: the product, the distribution system, the price structure and promotional activities.

According to R. S. Davar, "the policies adopted by manufacturers to attain success in the market constitute the Marketing Mix."

In the words of Philip Kotler, "The firm's task is to find the settings for its marketing decision variables. The setting constitutes its Marketing Mix."

In other words, for the purpose of attaining success in sales, combination of various policies of sales is known as Marketing Mix. Marketing Mix is also called as marketing programme. Main decisions of marketing mix include 4P's: Product decisions, Price decisions, Promotional decisions, and Place decisions.

On the basis of above meaning and definitions, it can be said that marketing mix consists of four tools or weapons like product, price, promotion and place. These are used by marketing manager to provide maximum satisfaction to the consumers and to protect company's interest.

Elements of Marketing Mix:

The ingredients of marketing mix are called as marketing mix elements. Elements are also referred as decision variables. Marketing Mix includes mainly four elements – product mix, price mix, promotion mix and place mix. These four ingredients are closely interrelated as mentioned below:

1. Product Mix:

Product is the basic element of marketing mix because all other elements are required when there is a product. It is the most important and main center of all the marketing activities. Managing the product includes planning and developing the right products and services to be marketed by the company. Under product planning and development, a manufacturer conceives the related with product like name, brand, design, colour, packaging, labelling, uses, guarantee, warranty, weight, after sale services etc. These all are the elements of marketing mix.

2. Price Mix:

Price determination is a second important element of marketing mix. The price should be determining in such a way that consumers can buy and manufacturer can earn adequate profits in the competitive market. Price mix involves the following decisions –

- a) Studying the pricing policies and strategies
- b) Determining the manufacturing cost
- c) Deciding the appropriate profit margin.
- d) Studying of influencing factors of pricing decision.

3. Promotion Mix:

In modern era, promotion mix is an important element. A successful marketer promotes to seller for increasing sales and to consumers for purchasing through advertising, personal selling, sales promotion publicity and public relations.

4. Place Mix:

This element of marketing mix is basically related with channel of distribution and physical distribution. In other words, place mix includes selection of distribution channels of goods and services from producer to customer or ultimate user. It means, the right product can be made available to the right consumer, in the right way at the right time at the right place and in the right form. Place mix includes the following decisions –

- a) Developing a distribution system physically, handling and transporting the product.
- b) Analysing the influencing factors of distribution channel.
- c) Determining the distribution and selling cost.

- d) Developing the auxiliary services like – transportation, warehousing, insurance, inventory management and banking.
- e) Studying geographical location of customers.

Factors affecting the Marketing Mix

Marketing Mix is affected by various numbers of factors. From study point of view, these factors may be divided into two parts:

1. Internal or Controllable factors:

Marketing Mix is affected by the following internal or controllable factors-

- a) Marketing objectives
- b) Product planning
- c) Policies- Brand, packaging, pricing, advertising and sales promotion policy
- d) Distribution channels, physical distribution and personal selling.
- e) Company's rules & procedures
- f) Organisational structure
- g) Management attitudes towards customers, social welfare, employees etc.
- h) Nature, types and requirement of employees

2. External or Uncontrollable factors:

Marketing Mix is affected by the following external or uncontrollable factors-

- a) Consumer behaviour
- b) Demand of the product
- c) Market competition
- d) Distribution system
- e) Government's policies, rules, regulations and control
- f) Infrastructural facilities like- banking, insurance, warehousing, transportation etc.
- g) Social responsibilities
- h) Inventions and innovations