

Marketing and the 7 P's

Product, price, place...

Carol McGowan

PMM Professional Merchandising & Marketing

Email: carol@pmms.ie



Over the past months we have discussed in detail various business elements and segments of Marketing. In this article we propose to summarise the seven P's.

To start, what is marketing: Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably. Essentially this means the customer is at the heart of marketing. In reality the marketing function is the study of market forces and factors and the development of a company's position to optimise its benefit from them. It is all about getting the right product or service to the customer at the right price, in the right place, at the right time. The marketing process is central to the business performance of companies, large and small, because it addresses the most important aspects of the competitive marketplace.

Successful marketing depends upon addressing a number of key issues. As marketing developed into a more sophisticated discipline these considerations became known as the seven P's : product, price, place, promotion, people, process and physical evidence – these are sometimes referred to as the marketing mix.

PRODUCT: There is no point in developing a product or service that no-one wants to buy, yet many businesses decide what to offer first, and then hope to find a market for it afterwards. The perfect product must provide value for the customer. A product does not have to be tangible – an insurance policy can be a product. Ask yourself whether you have a system in place to regularly check what your customers think of your product or service, what their needs are now and if they see them changing.

PRICE: A product is only worth what customers are prepared to pay for it. The price also needs to be competitive but this does not necessarily mean the cheapest. Remember your pricing must also provide a profit. Price is the only element of the marketing mix that generates a revenue – everything else represents a cost. Existing customers are generally less sensitive to price than new customers – a good reason to look after them well.

PLACE: The place where customers buy a product, and the means of distributing your product to that place, must be appropriate and convenient to the customer. Place also means

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ways of displaying your product to customer groups. This could be in a shop window but it could also be via the internet.

PROMOTION: Promotion is the way a company communicates what it does and what it can offer customers. It includes activities such as branding, advertising, PR, corporate identity, sales management, special offers and exhibitions. Promotion must gain attention, be appealing, tell a consistent message and above all else give the customer a reason to choose your product rather than someone else's. Promotion should communicate the benefits that a customer obtains from a product and not just the features of that product. Promotion does not mean just communicating with your external customers, it should also help communicate with your internal customers – staff stakeholders etc.

PEOPLE: The reputation of your brand rests in your people's hands. Therefore, they must be well trained, motivated and have the right attitude. Many customers cannot separate the product or service from the staff member who provides it. This shows the importance of your people.

PROCESS: The process of giving a service, and the behaviour of those who deliver are crucial to customer satisfaction. Issues such as waiting times, the information given to customers

and the helpfulness of staff are all vital to keep customers happy. Perhaps ask yourself, do customers have to wait? Are your people helpful? Do your people interact in a manner appropriate to your service?

PHYSICAL EVIDENCE: A service cannot be experienced before it is delivered. This uncertainty can be reduced by helping potential customers to 'see' what they are buying. Case studies and testimonials can provide evidence that an organisation keeps its promises. The physical evidence demonstrated by an organisation must confirm the assumptions of the customer.

Each of the 'ingredients' in the marketing mix is a key to success. No one element can be considered in isolation – you cannot for example, develop a product without considering a price or how it will reach the customer.

In our next article we will be discussing how to generate a brief for a communications agency.

If you require further information please phone 1890 766 766 or e-mail info@pmms.ie.

