

Marketing Mix

Kotler and Armstrong (2016) defined marketing mix as ‘the set of tactical marketing tools that the firm blends to produce the response it wants in the target market’. The marketing mix is a tool that provides marketers with a framework to support their operational and strategic management. It helps them to consider the market in depth, allowing them to develop their products, services and ways of doing business to best suit the consumer (Solomon et al., 2018). In doing this, more informed companies can obtain gain competitive advantage (Ngugi, O’Sullivan and Osman, 2020).

McCarthy (1960) introduced the original model as the 4Ps: product, price, place and promotion. He describes the marketing mix as ‘a conceptual framework for marketing decision-making, which used product, price, place (or distribution), and promotion in the marketing mix’. As markets have become more complex, the framework was criticized for being overly simplistic and inadequate for complex situations (Heckman, Vestergaard and Sole, 2018). This led to the demand for a more sophisticated framework. Therefore, as with many academic models, over time, the 4Ps concept has been developed to reflect contemporary issues. Booms and Bitner (1981) added people, physical evidence and processes, creating the 7Ps model (pictured) to address services. This model presents the full marketing mix and is a tool that can be used to maximize the success of an organization focusing on the seven elements. All the elements of the marketing mix should work harmoniously, not in isolation (Ngugi et al., 2020).

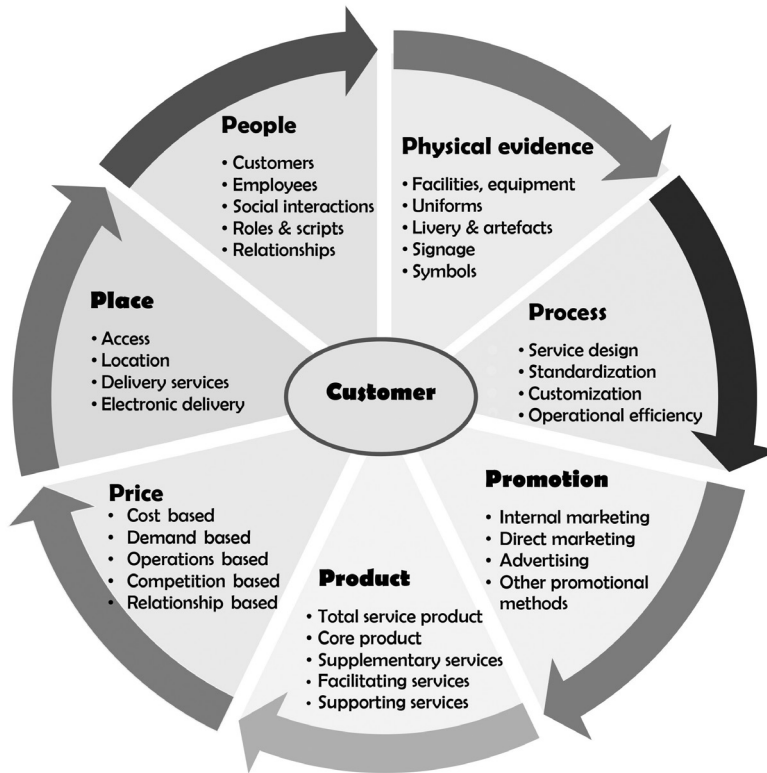
Product refers to anything offered by the organization as a solution to the customer’s wants and needs. They can be tangible – things – or intangible – services. In the context of tourism, the product comprises both and encapsulates the value received by consumers. A meal in a restaurant, for example, will consist tangibly of the food you eat and the beverages you drink in a furnished environment. Intangibly, it will consist of the design and the atmospherics that include the theme of the restaurant, the menu design, the décor, interaction with waiting staff and the processes used for engagement with customers. Increasingly, we recognize product as the overall experience and the value in creates. A tourism destination is an amalgam of

products, services and experiences co-created with a range of different providers, often consumed under the one brand name (Buhalis and Park, 2021). As a service sector, tourism offers products in the form of holiday experiences and travel services that incorporate tangible elements, co-creating experiences. Destination management and marketing involve coordinated and integrated management of the destination mix, which includes attractions, facilities, transportation, infrastructure and hospitality (Buhalis, 2000; Morrison, 2018).

The price element of the marketing mix is the amount an organization charges a customer or the sacrifice a customer makes to gain value from consuming the product and enjoying the experience. Price determines revenue, profitability and competitiveness (Viglia and Abrate, 2019). Price should ensure the survival of an organization and the attractiveness of the proposition. The aim is to increase an organization’s profit, and the most efficient price is close to the maximum their target audience will be willing to pay – maximizing revenues while not pricing themselves out of the market. In tourism, price is used to set expectations of quality. A hotel room for £30 per night attracts very different customers from a hotel charging £500 a night, with different expectations and demands. Both price points, however, can be perfectly viable if they fit with the hotel’s image and allow it to return a profit. Consumers will assess the value for money for their expense. Price is often set in the context of what competitors charge, along with the price sensitivity of the consumer base. Dynamic pricing affects the marketing strategy and, depending on the price elasticity, it can also affect demand and sales (ibid.).

The place element of the marketing mix is effectively how and when the product is distributed and purchased. In tourism, a range of intermediaries (agents, travel companies, tour operators, online travel agents, excursion companies) support distribution by interacting with consumers at various touchpoints (Buhalis and Volchek, 2021). These intermediaries generate important tourism flows and play a fundamental role to tourism development (Picazo and Moreno-Gil, 2018). It is increasingly common for tourism destinations to offer customers the chance to book another stay while they are at their destination, relying on the appeal of the location itself to secure a repeat booking.

Promotion refers to the marketing activities that are undertaken to raise awareness and



Source: Wikipedia Commons, https://upload.wikimedia.org/wikipedia/commons/d/d7/7_ps_of_services_marketing.jpg.

7Ps of marketing

inform the target market about the product, as well as to encourage sales (Solomon et al., 2018). To do so effectively involves detailed knowledge of the target market, understanding their purchasing behaviour and knowing which communication channels are the most effective and engaging way of reaching them. Understanding direct and indirect competitors is critical, as organizations will compete with others using the same channels. Promotional techniques enable organizations to stand out against their rivals.

People in the marketing mix is defined by Wilson et al. (2017) as ‘all human actors who play a part in service delivery and thus influence the buyers’ perceptions; namely, the firm’s personnel, the customer, and other customers in the service environment’. The people who are part of an organization play a huge role in how the tourism organization is viewed by its customers and how they rate their experience.

In an industry such as tourism, where there is often no tangible product, people are crucial – from a disinterested receptionist to a friendly lifeguard, the daily interactions a customer will experience can have a significant impact. Understanding face-to-face and online social contact is critical for value co-creation (Fan, Buhalis and Lin, 2019).

The process element of the marketing mix refers to the flow of activities involved in the process of delivering the service to the consumer (Wilson et al., 2017). These are a crucial part of a service industry like tourism and need to be generated with the customer’s experience at their very heart. If the process for reserving a sunbed is needlessly complicated, or an advertised discount requires too much of the customer to reasonably claim it, then it will have a negative impact on the customer’s experience and, by extension, on the organization’s reputation.

The physical evidence of the marketing mix is the environment in which the service is experienced. When you are eating a meal, the restaurant is the environment. However, this environment can comprise many things, all of which can impact how the experience is viewed (ibid.). Ambience includes things such as temperature, colours, sound, smell, music and so on. Ambience needs to fit the product or service being provided. For example, a high-end restaurant will look and sound very different from a fast-food takeaway. Spatial layout and functionality is where objects such as furniture and machinery are placed within the physical environment. Symbols and artefacts include corporate branding such as signage, packaging, web pages, brochures and so forth.

All elements of the marketing mix need to work together in harmony. Once appropriate channels are selected, other aspects of the marketing mix should ensure the promotional message aligns with the characteristics of the product. The aim is a consistent brand image that neither over-promises nor under-delivers and to ensure satisfaction from the customer. Tourists' satisfaction is related to the extent to which general tourism needs and condition-specific needs are satisfied (Wu, Cheng and Ai, 2018) and the value that is being co-created.

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