

7 P Marketing Mix Literature Review

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ABSTRACT

In the 21st century, companies operate in an ever-changing environment, so it is important to improve the elements of an organization's marketing mix. To start a business successfully and survive, you need to provide services that can meet the needs of consumers. It is important make decisions and actions related to the products provided, their price, place or distribution and promotion, people, processes and physical evidence. The elements of the 7p marketing mix are used to meet the needs of users, which consists of company variables. A marketing mix is a set of interconnected actions and solutions that allow to meet the needs of consumers and achieve the company's goals.

KEYWORDS: *marketing, 7P marketing mix, product, price, place, promotion, people, process, physical evidence*

INTRODUCTION

Amofah, O., Gyamfi, I., Tutu, Ch., O. (2016) considered that the marketing mix is important to meet the needs of customers in both the short and long term. The elements of a marketing complex may change as the needs of customers change. Nugroho, A., R., Irena, A. (2017) considered that marketing mix is a set of marketing tools to help marketers in translating its marketing strategies into practices (Bennett, 1997). Marketing mix is claimed to be firstly suggested by Borden (1964). Borden's marketing mix includes twelve elements. McCarthy (1964) later regrouped these twelve elements into product, price, place, promotion, commonly known as "mixtures of 4 marketing kits". Astuti, R., Silalahi, R., L., R., Wijaya, G., D., P. (2015) mentioned that marketing mix is one of the factors influencing buyers purchasing decisions. According to Kotler and Armstrong (2010), a marketing mix is a set of marketing tools that companies use to achieve their marketing goals. The 7P marketing mix is incorporated into a modern marketing system, as product, price, place, promotion, people, physical evidence, and process. Hadiyati, E. (2016) mentioned that marketing mix is not a management theory derived from scientific analysis, but it is a system of conceptual work emphasizing the key decision to

make a marketing manager by organizing demand to meet customer needs. Hashim, N., Hamzah, M., I. (2014) presented that traditionally, the pillars of marketing have been known as 4P, which stands for product, price, place, and promotion. However, as customers become more sophisticated, three more Ps have been added, mainly to the service industry, namely people, processes and the physical environment. Nowadays, these considerations are known as marketing 7P and are sometimes referred to as marketing combination. Doaa, S., Yasser, T., Mohammed; S., Tur, A., Andrés (2017) mentioned that services have four main characteristics that influence the development of marketing programs: intangibility, inseparability, and variability. These features have resulted in an extended marketing suite for all services. de Guzman, C., D. (2016) mentioned that his study had its theoretical underpinnings on the Marketing Mix theory of McCarthy which was often referred to as the 4Ps – Product, Promotion, Place and Price. McCarthy's model can be utilized in both long-term strategies and short-term tactics. The marketing mix can be altered depending on the type or nature of the business and differ from business to business (Palmer, 2004 In Goi, 2009). Yasanallah, P., Vahid, B. (2012) considered that in reality, marketing mix is

How to cite this paper: Margarita Išoraitė "7 P Marketing Mix Literature Review" Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-5 | Issue-6, October 2021, pp.1586-1591, URL: www.ijtsrd.com/papers/ijtsrd47665.pdf



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a set of tools by which entities achieve their marketing goals in their target markets. Bowman, D., Gatignon, H. (2009) found that marketing mix models help to understand how customers respond collectively to marketing activities and how competitors interact. Appropriate models can be the basis for better marketing decisions. The aim of the article is to analyze the marketing complex 7 P theoretical aspects.

7 P marketing mix review

Kusumawati, R., D., Oswari, T., Utomo, R., B., Kumar, V. (2014) mentioned that partial test results showed that the single price variable influences consumers' intentions to purchase a digital music product online, but the results of concurrent testing results where all variables in the marketing mix, consisting of product, price, promotion, place, people, evidence of the object. Constantinides, E. (2006) argues that the documents identify two main blends of marketing as management tools, constraints common to all areas under consideration, namely, internal model orientation and non-personalization. Rathod, M., K. (2016) considered that the concept of Marketing Mix helps marketers to review and define key issues such as Product, Price, Place, Promotion, People, Process & Physical evidence that affect the marketing of their tangible offering (Products) and intangible performances (Service). As a tool of marketing strategy to review competition in the market, the service marketing mix which also known as extended marketing mix is an significant part of a service plan which essential for optimum service delivery. Abril, C., Cínov, R., B. (2016) stated that the the most effective marketing tools to build private label brand ownership are private label communication in the store, private label distribution intensity, and perceived price. Kwok, L., Tang, Y., Yu, B. (2020) mentioned that marketing mix later, extended the 4 Ps model by adding three Ps, including Participant (or People), Physical Evidence, and a more comprehensive and detailed framework in analysing a service product's marketing mix). Besides its ability to assess the critical marketing elements of a service product, the 7 Ps Model can also be applied to other areas as a generic marketing framework in such inquiries as qualitative content analysis, and big data analytics for business/marketing intelligence.

7 P marketing elements

A marketing mix is a set of related actions and solutions that enable meeting the needs of consumers and achieving the company's goals. Pranulis, V. (1998) describes the marketing complex as follows: "A marketing complex is a set of decisions and market influence tools used by a company to elicit the

desired reaction in the target market, meet consumer wants and needs and achieve its goals. Vitkienė, E. (2004) also presents R. Dowo's marketing complex, in which he names all 7Ps : 1 P - product - the service is not a tangible product, and the result is achieved due to the interaction between the staff of the company providing the service and the user of the service. 2P - price - the quality of the service, its value is created by both the service user and its provider. 3P - distribution - the service user is directly related to the source of the service (place, time). 4P – promotion is a user-oriented information marketing communication system in which the service provider and the consumer are involved regardless of their will. 5P - people - the behaviour and interrelationships of the service company's staff and service users shape the technical and functional quality of the service. 6P - policy - to find, maintain and strengthen connections with service users and partners. 7P - philosophy- the totality of the needs of the service company, its partners and users to determine the wishes, and needs and is the philosophy of the service company's existence. Models of the marketing complex of other authors are also presented, but there is no common consensus on this issue.

However, all service marketers are convinced that in the modern service business it is no longer enough to limit oneself to the traditional marketing complex. There are four elements widely accepted in traditional marketing - product, price, product presentation, sponsorship - or the 4Ps system. However, many Lithuanian and foreign authors state that the four-element marketing complex is adapted to production (industrial) companies. As he claims. Kinduryš, V. (1998), "since the provision and consumption of services, and often their sale, coincide (takes place simultaneously), traditional marketing and its complex elements are not suitable for the service business. So it is important to analyze 7 P marketing complex:

1. Product. It involves the analysis of its range, quality and level. The structure of a service product varies depending on the branch and type of service. an assortment is a set of all goods and groups of goods sold by a company. The concept of a product line is also used in marketing. A product line is a set of goods for a similar purpose. There are usually two range parameters: width and depth. The width of the product range is the number of product lines. Depth of product range is the number of variants and modifications that make up the product line. Product lines can be of different lengths. It depends on the number

of goods that make them up. Goods include decisions and actions related to product development, range, packaging, warranties and other factors. Most stores not only create the right conditions for shoppers to shop, but also provide services. Trading companies provide services before the buyer buys the goods, when buying or after the buying process. The aim of this method is to support and promote the main activity of selling goods. Stores also provide services to facilitate the purchase of goods, make it more attractive, stand out from competitors, increase customer satisfaction and loyalty (Pranulis et al. (2012)). Buyers decide on a product based on three main elements: product characteristics and quality; service package and quality, price. Therefore, marketers need to think about the features, benefits and quality level of each product. Marketers exchange the product for buyers' money. From the perspective of the manufacturer, the product is the end result that is derived from labour, raw materials, capital. However, from the buyer's point of view, the benefits of the product are considered first and foremost. Marketing science bases all the activities of a trading company from a consumer perspective. When presenting a product to a buyer, marketing experts define the product as a group of certain useful properties. They argue that the function and benefits of the product are different. The product may be attractive to the buyer, but it does not directly show buyers why the product is useful and what the benefits of the product are. When establishing a relationship with a buyer, professionals identify the features of the product through the benefits provided, for example, it explains what each feature of the product means and what its positive features are. The products provide five different types of benefits: functionality, efficiency, personality, quality and affordability:

- Benefits of functionality. It describes the ability of a product to fulfill its main purpose. • Operational benefits apply only to business markets. These are the benefits that affect the buyer's decision to buy.
- Personal benefits. Describes the psychological benefits, the satisfaction that the buyer receives when buying.
- Quality. Describes the relationship between buyer expectation and incoming goods. The buyer expects high quality goods to be ideal.

- Financial benefits. These benefits are related to the investment potential of the product. The goods are divided into 6 types:
- Buyer products are products that are purchased for the personal use of the final buyer. These products include everyday, purchased, special and unavailable items.
- Everyday goods are products or services that are purchased frequently, quickly, and without much difficulty.
- Purchased products are purchased less frequently and buyers spend some time and effort on these products comparing and looking for the best value for money.
- Special products are products with unusual properties. These goods are purchased only by those buyers who are specially prepared to buy.
- Unavailable items. Products that buyers are not aware of or do not think about buying.
- Industrial goods are goods that are purchased for further processes or for business use.

2. Pricing is one of the most important areas of a marketing decision. Pricing is a challenge for all businesses without exception. The price is related to the company's goals and their implementation. Price is one of the most important criteria for consumers when choosing a product or service. In determining the price, the company must first:

- choose a pricing goal,
 - estimate the cost of goods,
 - assess the demand for goods,
 - perform price analysis of competitors' goods.
- * form additional incentives for the buyer to decide to buy. T

The most common types of discounts are:

- Quantity discount - encourages you to buy as many items as possible from the same company. • For multiple purchases - Reduces prices for customers who buy most often.
- According to the turnover of buyers - prices are reduced for buyers who have purchased goods for a large amount of money.
- Functional discounts - reimburse the intermediary for distribution and sponsorship costs.
- Seasonal discounts are given for goods that are purchased only during a certain season.
- Occasional discount when new stores open.

- Holiday discounts. Such discounts apply before all major holidays. The method of presenting prices is strictly defined in the company's internal rules.

Prices are always indicated on the product description labels next to the goods on the right, and during the promotion - on large posters hung above the goods. Buyers are also informed about prices outside the store: price lists, catalogs, brochures, letters are sent, published in newspapers, on radio and television.

3. Place. The place of provision of services, its accessibility are important factors in the marketing of services. Accessibility is not only physical, but also other ways for customers to communicate with service providers. Distribution channels and their area of operation are also related to the availability of services. Choosing a location is one of the most responsible and difficult decisions because sales volumes depend on it. The location of a trading company is "a geographical place where it combines business factors, carries out economic activities and pursues its goals" (Alborovienė (2002)). Due to the specificity of the companies' activities, the place in the retail trade is of particular importance. Choosing a company's location is a long-term decision that influences its strategy. When choosing a location, the company together chooses the environment in which it will have to operate. A more convenient and popular location is crucial in competing with other businesses. A company located in a more convenient location usually achieves better economic results when the conditions are approximately the same. However, this is just one criterion that cannot completely determine the success of a company. The quality of a place is influenced by many factors, the main ones being: demand, competition, accessibility, space and others (Pajuodis (2005)). To determine a location, first search for the appropriate region, then the city, its district, and a specific location. Choosing a place to start a business also determines the store's service area where the most likely customers are. "The service area of a trade object is the territory where its potential buyers are located or the territory where the attraction of this company operates" (Pajuodis (2005)). Each service area has certain regularities:

4. Promotion. Promotion links the various forms and methods of communication between service providers and customers in the market, through advertising, personal sales, sales promotion activities and other means of direct and indirect communication with the public. Sponsorship is

decisions and actions aimed at informing consumers about goods and encouraging them to buy (Pranulis et al. (2012)). Companies can use various means of communication and help from other companies or groups when informing and promoting potential buyers. The importance of this complex element for companies is significant, as even a good product is offered, with the right price and a well-thought-out local strategy, but the desired sales volume may still not be achieved. This is usually due to the fact that potential buyers of the company are not informed about the goods, they are not sent an exact message explaining the benefits of the product. Therefore, companies have to take supportive actions to make the product-consumer relationship take place (Pranulis et al. (2012)). Advertising is an indirect (mass) communication about products, services or ideas to a selected audience, paid for by the customer, in order to achieve the goals set by the customer. The purpose of advertising is a specific communication task that must be solved with the target audience over a period of time. Advertising features include: The advertising function is performed by:

- introducing the names of new products, services or companies to the audience;
- offering new uses for the product;
- informing about price changes;
 - * explaining how the product works;
 - * delivering additional money.

The promotional function can be performed by advertising in an open or disguised, indirect form. In the first case, it is called to "hurry", "buy", "inquire". Secondly, emotionally attractive images are shown, eye-catching sounds and plots are used. Company advertising - advertising supporting a positive name, philosophy, image of the organization, its staff. The company's advertising is closely related to public relations. Advertising campaign - consistently implemented actions of an advertising strategy for a certain period of time, combining creative ideas. The campaign plan must answer the following questions: What are the goals of the campaign - the desired effect (effect)? How much money can you spend? What kind of message (message) should be forwarded and to whom? What advertising media should be used? How do I evaluate my campaign results? The goals of the advertising campaign must be related to the goals of marketing communication. They must relate to the decisions already made regarding the company's marketing strategy, its target market, and

take into account the situation on the market. Sales promotion is one of the components of an element of the marketing complex called sponsorship. The following support measures are usually mentioned in the marketing literature: advertising, sales promotion, personal sales, public relations. The term sales promotion is used ambiguously in marketing theory and practice. Sales promotion is often considered to be all sponsorship measures that cannot be attributed to other sponsorship factors. However, in reality, some promotional actions, such as advertising, are often simply inextricably linked to sales promotion, complementary and mutually reinforcing. In addition, sales promotion actually includes some tools from other elements of the marketing complex. Public relations are defined and understood in different ways. They are often described as the management of an organization's communication with their important addressees (audiences) or as a function of building and maintaining an organization's reputation, credibility, and image. An organization can be governmental, any type of public, private, commercial, or other organization, any institution, profession, area, service, or institution. Personal selling is the direct communication between a seller and a consumer, where the seller tries to persuade the consumer to buy a product or service from a particular company.

5. People. First of all, we mean the people who provide the services or manage the process. Their influence on the sale of services depends on the participation of service providers in the management process. The secret to the success of a service company is the recognition that the staff that attracts the consumer is the foundation of that company's operations. The second aspect is the participation of service users (customers) in the process of service provision, their close relations and a kind of cooperation with service providers. Consumers must not only understand the level of product quality of the service provided to them, but also act in a way to shape it. In today's market conditions, it is rare for a buyer to buy a product without having any information about it. A potential consumer can decide to buy a product only if he has sufficient knowledge about it. The consumer must be informed about the product for sale, its price, place and time of presentation, and encourage the purchase of the product.
6. Physical obviousness. It consists of elements such as the physical environment (furniture, noise, work environment, etc.), certain items that provide convenience in using the service, and

other tangible items (packaging of clothes cleaned in a cleaning company).

7. A process is a set of procedures and operations performed in a certain sequence to provide a service. Some services are very complex and require the active involvement of the user. A standardized or individual service is another characteristic of the process.

Conclusions

In the marketing complex, one of the main goals is to set the goals of the elements of the marketing complex and the budget of the marketing tools. The importance of each element depends on the company and its activities, but also on competition and time. All elements of marketing are interrelated and should be seen as a whole of their actions. Some elements may be more important than others, depending largely on the company's strategy and operations. Companies that provide services - the element of service provision will be the most important.

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