
Marketing Management: Marketing Mix – An Introduction

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ABSTRACT

Cement is an essential component of infrastructure development and most important input of construction industry particularly in the government's infrastructure and housing programs, which are necessary for the country's socio-economic growth and development. It is also the second most consumed material on the planet. The Indian cement industry is the second largest producer of cement in the world just behind China, but ahead of the United States and Japan. It is consented to be a core sector accounting for approximately 1.3% of GDP and employing over 0.14million people. Also the industry is a significant contributor to the revenue collected by both the central and state governments through excise and sales taxes.

Key words: - Cement Sector, Material, GDP

INTRODUCTION:

The marketing mix is a business tool used in marketing and by marketing professionals. The marketing mix is often crucial when determining a product or brand's offer, and is often synonymous with the four Ps: price, product, promotion, and place; in service marketing, however, the four Ps have been expanded to the Seven Ps or eight Ps to address the different nature of services. In recent times, the concept of four Cs has been introduced as a more customer-driven replacement of four Ps.^[1] And there are two four Cs theories today. One is Lauterborn's four Cs (consumer, cost, communication, convenience), another is Shimizu's four Cs (commodity, cost, communication, channel).

Key words: - Business Tools, Four Ps, Four Cs

HISTORY:

In his paper "The Concept of the Marketing Mix", Neil Borden reconstructed the history of the term "marketing mix". He started teaching the term after an associate, James Culliton, described the role of the marketing manager in 1948 as a "mixer of ingredients"; one who sometimes follows recipes prepared by others, sometimes prepares his own recipe as he goes along sometimes adapts a recipe from immediately available ingredients, and at other times invents new ingredients no one else has tried.

Key words: - Concept, Reconstructed, Marketing Manager

McCarthy's Four Ps:

The marketer E. Jerome McCarthy proposed a four Ps classification in 1960, which has since been used by marketers throughout the world.

Classification

Category	Definition
Product	<p>A product is seen as an item that satisfies what a consumer demands. It is a tangible good or an intangible service. Tangible products are those that have an independent physical existence. Typical examples of mass-produced tangible objects are the motor car and the disposable razor. A less obvious but ubiquitous mass-produced service is a computer operating system.</p>

Price	<p>The amount a customer pays for the product. The price is very important as it determines the company's profit and hence, survival. Adjusting the price has a profound impact on the marketing strategy, and depending on the price elasticity of the product, often it will affect the demand and sales as well. The marketer should set a price that complements the other elements of the marketing mix.</p>
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Promotion	<p>When setting a price, the marketer must be aware of the customer perceived value for the product. Three basic pricing strategies are: market skimming pricing, market penetration pricing and neutral pricing. The 'reference value' (where the consumer refers to the prices of competing products) and the 'differential value' (the consumer's view of this product's attributes versus the attributes of other products) must be taken into account.</p> <p>All of the methods of communication that a marketer may use to provide information to different parties about the product. Promotion comprises elements such as: advertising, public relations, sales organization and sales promotion.</p>
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Distribution (Place)	<p>Advertising covers any communication that is paid for, from cinema commercials, radio and Internet advertisements through print media and billboards. Public relations is where the communication is not directly paid for and includes press releases, sponsorship deals, exhibitions, conferences, seminars or trade fairs and events. Word-of-mouth is any apparently informal communication about the product by ordinary individuals, satisfied customers or people specifically engaged to create word of mouth momentum. Sales staff often plays an important role in word of mouth and public relations (see 'product' above).</p>
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Key words: - Product, Price, Promotion, Place

Seven Ps:

The seven Ps is an additional marketing model that refers to the already mentioned four Ps, plus 'Physical evidence', 'People', and 'Process':

Classifications

Category	Definition
Physical evidence	elements within the store—the store front, the uniforms employees wear, signboards, etc.
People	the employees of the organization with whom customers come into contact.
Process	the processes and systems within the organization that affects its marketing process.

These latter three factors are not cited nearly as often as the first four.

Key words: - Physical Evidence, People, Process

Lauterborn's Four Cs:

Robert F. Lauterborn proposed a four Cs classification in 1990^[7] which is a more consumer-oriented version of the four Ps that attempts to better fit the movement from mass marketing to niche marketing:

Four Ps	Four Cs	Definition
Product	Consumer and needs	wants A company will only sell what the consumer specifically 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.
Price	Cost	Price is only a part of the total cost to satisfy a want or a need. The total cost will consider for example the cost of time in acquiring a good or a service, a cost of conscience by consuming that or even a cost of guilt "for not treating the kids". 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.
Promotion	Communication	While promotion is "manipulative" and from the seller, communication is "cooperative" and from the buyer with the aim to create a dialogue with the potential customers based on their needs and lifestyles. It represents a broader focus. 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 phones people neither need to go anywhere to satisfy a want or a need nor are 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 guarantee convenience to buy. 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.

Key words: - Consumer wants and Needs, Cost, Communication, Convenience

Four Cs: in the Seven Cs Compass Model: (Corporation and consumer -oriented model)

After Koichi Shimizu proposed a four Cs classification in 1973, this was expanded to the Seven Cs Compass Model to provide a more complete picture of the nature of marketing in 1981. It attempts to explain the success or failure of a firm within a market and is somewhat analogous to Michael Porter's diamond model, which tries to explain the success and failure of different countries economically.

The Seven Cs Compass Model are:

- **(C1)Corporation** – The core of four Cs is corporation (company and non-profit organization). C-O-S (Organization Competitor, Stakeholder) within the Corporation. The company has to think of compliance and accountability as important. The competition in the areas in which the company competes with other firms in its industry.

The four elements in the Seven Cs Compass Model:

- A formal approach to this customer-focused marketing mix is known as Four Cs (Commodity, Cost, Communication Channel) in “the Seven Cs Compass Model. The four Cs Model provides a demand/customer centric version alternative to the well-known four Ps supply side model (product, price, promotion, place) of marketing management.
 - Product → Commodity
 - Price → Cost
 - Promotion → Communication
 - Place → Channel

"P" category	"C" category	"C" definition
Product	(C2)Commodity	(Original meaning of Latin: Commodus=convenient): It is not "product out". The goods and services for the consumers or citizens. Steve Jobs has been making the goods with which people are pleased. It will not become commoditization if a commodity is built from the start.
Price	(C3)Cost	(Original meaning of Latin: Constare= It makes sacrifices): There is not only producing cost and selling cost but purchasing cost and social cost.
Promotion	(C4)Communication	(Original meaning of Latin: Communis=sharing of meaning): marketing communication : No only promotion but communication is important. Communications can include advertising, sales promotion, public relations, publicity, personal selling, corporate identity.
Place	(C5)Channel	(Original meaning is a Canal) : marketing channels. Flow of goods.

The compass of consumers and Circumstances (environment) are:

- **(C6)Consumer** – (Needle of compass to Consumer)

The factors related to consumers can be explained by the first character of four directions marked on the compass model. These can be remembered by the cardinal directions, hence the name compass model:

- N = Needs
- W = Wants
- S = Security
- E = Education:(consumer education)
- **(C7)Circumstances** – (Needle of compass to Circumstances)

In addition to the consumer, there are various uncontrollable external environmental factors encircling the companies. Here it can also be explained by the first character of the four directions marked on the compass model:

- N = National and International(Political, legal and ethical)environment
- W = Weather

- S = Social and Cultural
- E = Economic

These can also be remembered by the cardinal directions marked on a compass. The Seven Cs Compass Model is a framework in Co-marketing (Symbiotic marketing). It has been criticized for being little more than the four Ps with different points of emphasis. In particular, the seven Cs inclusions of consumers in the marketing mix are criticized, since they are a target of marketing, while the other elements of the marketing mix are tactics. The seven Cs also include numerous strategies for product development, distribution, and pricing, while assuming that consumers want two-way communications with companies. An alternative approach has been suggested in a book called 'Service 7' by Australian Author, Peter Bowman. Bowman suggests a value based approach to service marketing activities. Bowman suggests implementing seven service marketing principles which include value, business development, reputation, customer service and service design. Service 7 has been widely distributed within Australia.

Key words: - Channel, Circumstances, Social, Culture, Economic

Conclusion & Suggestion:

Considering the growing demand for cement in India and higher capacity utilization over the years, key Indian players have already begun to revisit their business strategies. Further, as cement is a commodity and the process is well known there is no USP as far as this product is concerned. Therefore, the differentiation would largely relate to operating efficiencies, cost optimizations and reduction, and providing superior product and service and marketing strategies such as the presence of a stable and proactive marketing leadership, targeting specifically various customer and market segments, an expansion in product profile complemented with aggressive sales promotion and advertising will be the key to unlocking the puzzle of profit and expansion in the Indian cement industry in the 21st Century.

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