

Are the seven p's
really mutually
dependent?



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The marketing mix is a very simple concept, widely accepted as being of high utility in the management of the marketing function. Critically discuss the interrelationships between the seven P s of the services marketing mix. Are the seven P s really mutually dependent as some observers would maintain, or can each of the P s be managed independently of the others- Use relevant examples to illustrate your points of views where necessary.

Introduction

The seven Ps of the services marketing mix were developed from the four Ps, which were introduced by McCarthy (1960). These original four Ps were the Product, Price, Promotion and Place of a good. The main reason that these aspects were chosen to be the main part of the marketing mix is that they are specific factors over which the marketing manager should be able to exercise a degree of control, depending on the nature of their firm's resources. For example, the marketing manager is able decide what type of products a firm will develop to best fit the market, depending on the firm having the necessary technology, and also the places it can be sold within the firm's wider distribution network. However, when considering services, it is clear that marketing managers have control of more factors, leading to a debate around the use of other factors in the marketing mix. Ultimately, this led to the creation of the services marketing mix by Booms and Bitner (1981), which includes People, Processes and Physical Evidence as critical aspects of the mix. This seven Ps framework has been used to drive and analyse marketing activities in a wide range of markets (Kotler and Keller, 2005).

However, the extent to which this framework can be used to create a specific marketing mix for a specific organisation is strongly dependent on the extent to which each of the seven Ps can be manipulated and controlled. As such, marketing managers will need to be aware of any interrelationships between the different Ps when attempting to create their own marketing mix, else these interrelationships can affect the desired balance of the different Ps. This will also be strongly affected by the extent to which the seven Ps can be managed independently of each other. As such, this work will examine the interrelationships between the Ps and the extent to which they can be managed independently to determine how this will affect the creation of the marketing mix.

Interrelationships between the seven Ps

When considering the seven Ps themselves, the product is mainly seen as the first, and arguably the most important. This is because the product represents whatever the company sells to its customers. As a result, it could potentially be a tangible product like a magazine; a service like a flight; or even information, such as a training course. As such, the product will potentially have interrelationships with all other aspects of the seven Ps. The quality of the product will help determine its cost to produce, and hence its price. It will also affect the market segments to which it can appeal, hence influencing its place and the promotion necessary to sell it. Finally, if it is a high quality service, it will need to be supported by well trained people, with highly consistent and high quality processes to maintain the quality of the product. As such, the product can potentially interact with all other aspects

of the marketing mix, particularly in services where customer perceptions of the product will depend on the supporting aspects of the mix (Aaker, 2007).

Similarly, the price of a product will tend to have significant interrelations with a number of the other aspects of the mix. This is because the price is not just the headline price for a given service, but rather it encompasses all the decisions the company needs to make around the pricing strategy and any discounts the firm may offer. This is strongly related to the promotions the firm will use, as a skimming pricing strategy will require a significantly different style of promotion when compared to a penetration strategy. The price will also be affected by the costs associated with the product, hence price itself will be quite strongly related to the product characteristics, the people employed to market it and their salaries, and the places the service is provided and the costs associated with these places (Nagle and Holden, 2001).

Similarly, the places in which a service is offered will be quite significantly related to the price and promotion, as the distribution channels through which a service is offered will each have their own costs and accepted advertising methods. For example, if a service is being offered in a major store, it will have quite high costs, and the promotions will be heavily reliant on attracting people to the store, and appealing to customers who are walking by the display where the service is offered. On the other hand, if the product is offered over the internet it will need to have a lower price, as internet shoppers have been conditioned to expect lower prices from online offerings. In addition, the promotion will need to focus around creating the buying decision in potential customers, as the ubiquity of internet

advertising means that many consumers are strongly turned off by attention grabbing adverts on the internet (Chaffey, 2006). The place will also be linked to the process used to provide the service. For example, a restaurant in a busy town centre will need much more efficient and less personalised processes to keep customers from having to wait when compared to one in a quiet village, where customers may expect more personalised service.

As discussed above, promotion is strongly linked to product, price and place. This is because the promotion is one of the broadest aspects of the marketing mix, covering all of marketing communications, including the advertising and publicity around the service. Therefore, different aspects of the promotion will often be strongly dependent on the product, the price charged, the place, the characteristics of the people who provide it, and the processes involved in the service. In addition, the promotion and the physical evidence will be strongly related, as the effectiveness of any promotion will tend to rely on the physical evidence on which it is based (Bitner, 1990).

Finally, the three aspects of the service marketing mix introduced by Booms and Bitner (1981) tend to be somewhat less related to the other four, as they are amendments to the original model. In particular, the people who support the marketing mix can arguably be kept almost completely unrelated from any other aspect of the mix. This is because they are the one aspect of the marketing mix which is not directly always related to the service itself. For example, when a person is booking and taking a flight, they may only have very limited contact with people during the booking process and the flight, particularly if it is a low cost airline (Creaton, 2007). As such, people are only strongly related to other aspects of the marketing mix in certain situations.

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However, even in the low cost airline example, the absence of people is actually quite strongly related to people's perceptions of the product and the price, hence there is still a relationship.

In addition, whilst the process by which customers are served tends to be specifically related to the service provided, it does not always relate to the other aspects of the marketing mix. This is because the main requirement of the process is that it is consistent and does not vary amongst customers; otherwise the service itself will vary amongst customers. As such, it is perfectly acceptable for a high class sushi restaurant to use the same mass production techniques as McDonald's, or an expensive salon to use the same process for cutting hair as a standard hairdresser, provided the process is consistent across all customers. Finally, physical evidence is not strongly related to most of the other aspects, as it simply relates to the need to demonstrate the promotional claims made around the service. As such, it does not strongly relate to the product, price or other aspects, rather it only generally relates to the promotions offered (Booms and Bitner, 1981).

Characteristics of Services

The above section demonstrates the significant potential for interrelationships amongst the seven Ps of the marketing mix. However, in order to determine whether any of them can actually be made completely independent from the others in the case of services marketing, it is necessary to consider the characteristics of services. These are the lack of ownership, intangibility, inseparability, perishability and inconsistency of services, and are the factors that any business needs to consider when marketing services (Gronroos, 1978). The lack of ownership occurs because

a service is delivered at a certain point in time, and hence can never be owned or transferred to the purchaser. For example, a restaurant does not just provide food, it provides it prepared to certain standards, as well as served in a certain manner. As such, in order to provide a high quality meal, the restaurant needs to ensure that the food is cooked and served in an expected manner. This implies significant dependencies between the people, product and processes that operate in the restaurant industry.

The second characteristic is intangibility, which implies that services cannot be physically touched, or quantified. For example, when using an airline, a passenger is simply transported from one place, in a certain physical condition, to another place, with a different physical condition. The critical requirements for the passenger is thus that they arrive in a timely manner, and in a physical condition which is not significantly worse than when they left, i. e. they have not been in uncomfortable seats and their luggage hasn't been lost. The main requirement for this is that the airline must offer a reasonable form of physical evidence around the quality of the service they provide, and this evidence must be believable. This physical evidence can be in almost any form, including photos, statistics around lateness and lost luggage, critical reviews or consumer testimonials (Bitner, 1990). As a result, the physical evidence provided can arguably be said to be independent from much of the rest of the marketing mix, with only the promotion depending on the level of evidence available to support any claims it makes.

Inseparability refers to the fact that the service must be provided by a business at the point of use; it cannot be packaged up and sold in a remote location. For example, an accountant must look at the business accounts and <https://assignbuster.com/are-the-seven-ps-really-mutually-dependent/>

interact with the director and staff in order to produce accounts. This implies that there must be a strong relationship between the people, place, process and product in order to effectively deliver the service. If the accountants are working at a remote location away from their client, their process will be different and so will the final product. On the contrary, with the accountants working in the same location as their client, they can follow a different process due to the availability of the client for meetings etc.

Services are perishable because they only last for the effective time that the service is being provided, unlike physical goods which can often be stored and reused. For example, a haircut will only last until the hairdresser stops cutting, after this point the customer's hair will keep growing and cannot be altered. As such, it is important that a service is provided correctly the first time and according to the customer's requirements to avoid unhappy customers and poor service provision. The main implication of this is that, again, there is a strong relationship between the process and the end product, as well as the people who provide it and the promotion. This is because, in order for the process to be consistent enough to avoid any divergence from the customer's requirements, the people have to be well trained; the product well defined; and the promotion has to make clear the nature of the service to avoid confusion from the customer.

Finally, the inconsistency of services is a consequence of the different people who produce and consume services. As a result, the same service provided at different times to different will tend to be different. For example, the same burger produced in the same restaurant will tend to be different for different customers depending on the temperature of the over, the requirements of <https://assignbuster.com/are-the-seven-ps-really-mutually-dependent/>

the customer and the consistency of the staff. Again, this implies a strong interrelationship between product, people and process, to ensure that the service provided is as consistent as possible for all consumers and avoid failing to meet customer expectations.

Conclusion

It is clear from the literature and the examples discussed above that there are significant interrelationships between the seven Ps of the services marketing mix, particularly between the product, the people and the process used to produce the service. In addition, the price of the service will tend to be strongly dependent on its cost to produce, and hence on the people, the process and the place in which it is delivered. Also, the promotion used for any service will need to be based on factors such as the product, price and the availability of physical evidence. This tends to indicate that the seven Ps really are mutually dependent, and most of them cannot be managed independently of the others without damaging the potency and effectiveness of the marketing mix. For example, a business could change the process it uses to produce a service, but without improving the training of its people and promoting this change it would likely either reduce the quality of the service or cause some inconsistency with customer expectations. As such, it appears that only the physical evidence used to demonstrate the product to the customer can be managed independently, as it can take a variety of forms each of which can be persuasive.

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