

The impact of a marketing mix



Marketing Mix is defined as the collection of various marketing tools which can be blended very well to obtain greater response from the market. Anything and everything which a company or an organisation does to influence and encourage consuming them also will be key factor in the market mix

“ The term marketing mix has been used for almost 50yrs to describe that mix of factors over which an organisation has some specific control. It affects far more than the basic product or service, encompassing not only aspects of total product but everything that can be considered as part of total marketing offering ” Adcock 2001: 168

There are several marketing tools but the major four marketing factors which are very common in business relates to the marketing sector are Product, Price, Promotion and Place Considering Indian Premier League (IPL) in an entertainment industry framework, we are doing the service marketing mix, three additional variables are also there- People, Physical Evidence and Process are included to produce a 7P's mix.

Based on the above stated seven factors we are attempting to do the Marketing Mix of the Indian Premier League (IPL) in our coursework. While non-cricketing attributes that matter in IPL, the success is mainly relying on the core competencies of cricket players. Always a new business model is understood to mean a value proposition which is offered to the market as the revenue sources or targeted consumer segments. The key elements are:

Matches customer needs

Effective Marketing Mix

Well Blended

Creates competitive advantage

Matches Corporate Resources

Fig No 1: Hallmarks of an effective Marketing Mix (Jobber 2010: 20)

PRODUCT

The Indian Premier League (IPL) is a service that used to meet the needs of the spectators, because product is not to be necessarily an object it can be related to services, ideas and some situations it can even relates to the people and place also. Physical products can be tangible but pure services are intangible. This means the customers suffer high risk in their decision making and three elements of extended marketing mix are important to influence the customer of service quality. “ A product can be defined as anything that satisfies a want or need through use, consumption or acquisition” John 2010: 250

The Indian Premier League is an International brand which is implemented by the Board of Control for Cricket in India (BCCI). The IPL consists of eight different teams which is located in some of the India’s biggest cities. The IPL is the Twenty20 (20 overs per team) tournament contested between this eight Indian city franchises. When we take IPL as a business rather than a game then IPL is the product or service the assets are the players of these teams and the market is the spectators and the television audience.

Revenues can be generated from different ways like entry ticket, stadium advertising, player endorsements and television rights.

The change that happened to the cricket in the recent years is the establishment and success of the IPL. The tournament consists of around 60 matches and team consists of international and domestic players as well as new players. The first season began in April 2008 in India. The second was moved to South Africa because of security concerns due to the Indian general elections. The concept of the Indian Premier League (IPL) has been accepted by International Cricket Council (ICC).

As Indian Premier League (IPL) was created by BCCI particularly by Lalit Modi IPL Commissioner and vice president of BCCI modelled on the basis of English Football Premier League, which clearly stated the power of BCCI over Indian Cricket. The huge success of the second season in South Africa shows that the location is only secondary stage to entertainment value. IPL has rather made big changes in India's socio economic path. The important point is that IPL has made the level of professionalism which was not seen before in BCCI.

BRAND

IPL is a service of its kind which has made its own image in marketing prospective globally in entertainment service. " The brand name of a service can also influence the perception of a service. The characteristics of a successful brand name are distinctiveness, relevance, memorability and flexibility" Jobber 2010: 841

The UK based brand consultancy, brand finance has valued IPL at \$4. 2billion in 2010. It has valued \$2. 01billion in 2009 by the same consultancy. The eight franchises was also being part of this growth. The London Times reported that all but Kings XI Punjab made a profit in the first season.

Rank

Franchise

Brand Value

1

Chennai Super Kings

\$ 48. 4m

2

Kolkata Knight Riders

\$ 46m

3

Rajasthan Royals

\$ 45. 2m

4

Royal Challengers Bangalore

\$ 41. 9m

5

Mumbai Indians

\$ 40. 8m

6

Delhi Daredevils

\$ 40. 5m

7

Kings XI Punjab

\$ 36. 1m

8

Deccan Chargers

\$ 34. 4m

PLC

Reasons for the success of IPL

The main reason for the success of the IPL was demand. The fan base determines demand and this made the revenues, profits and the franchise values. The IPL was financially viable because of the entertainment that is packaged, markets and sale was fulfilling the fans' demand.

Product Market

The service market establishes the different ways on the basis of business marketing concepts. As far as IPL is concerned the interest will depend upon the level of competition in the league. That is based upon the interest of BCCI, to make sure the level of competition which sustains the demand and

determines the long term liability of the league. The level of competition depends upon the number of teams in the league, the structure of the league - system versus a single tier system - number of matches in a season, end of season, play offs and tournaments, salary caps and the free agency.

Customer function dimension:

This involves the benefits that are provided to satisfy the needs of organisational buyers (Thomas 2010: 220).

In IPL the franchises are engaging in activities that strengthens the demand generating fan base. They made themselves financially viable by implementing brand value maximising decisions to make what viewers need from the IPL matches and how they are imperative to increase their franchise value. IPL matches are widened their viewer base attracted a number of women and children.

Technology based dimension:

There are alternative ways to perform a particular function (Thomas 2010: 220).

At a technical level based on Packers World Series Cup (WSC), IPL has scheduled every matches in evening and night, more camera angles, video replays, best commentary teams and onscreen statistics on an impressive way. It improved television coverage, sponsorships and marketing.

Value Added system dimension:

Competitors serving the market can operate a long sequence of stages (Thomas 2010: 220).

In IPL the paying capacity will differ for different spectators. The franchises are recognising this and the price is changing according to the fans' willingness to pay made a huge impact in the revenues. As an example, decision regarding seat allocation in the stadium - daily tickets versus season tickets versus box seats - and pricing of seats in the various sections of the stadium by a good understanding and consumer behaviour.

PRICE

Price is basically the odd one out of the marketing mix as it is the revenue earner, when compared to the rest of the three elements of the marketing mix (Product, Promotion & Place) which are costs. Price is a really important element of the marketing mix as it drives the product to the customer's vicinity. (Jobber 2004: 376).

Price is a key marketing tool for various reasons, it is difficult to evaluate a service before purchase there price may act as an indicator of quality and creative pricing can help for smooth demand (controlling demand). IPL has made contracts with different private sector and nationalised banks for selling the tickets through them, by this they can reach to the public quite easily. The IPL has generated the income through different ways.

The auction for the eight franchises fetched \$723.59 million in 2008. In 2010 there was an auction for two more teams which fetched \$703 million and the teams have spent \$650.4 million for bidding the players.

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IPL got the deal with DLF, India's largest construction firm for \$200 million for the title sponsor

IPL signed up Kingfisher Airlines as the official umpire partner for a series at \$ 24. 06 million. The deal was the umpire uniforms will be of Kingfisher brand and also on the giant screen on the third umpire decision.

IPL has made a contract with India Sony Entertainment television and Singapore based World Sport Group (WSG) for the global broadcasting rights on a record deal of \$1. 97billion for ten years including 2017 IPL season on 15th Jan 2008

Demand curve graph

Whatever the amount collected 20% of these proceeds would go to IPL, 8% as prize money and 72% would be distributed to the franchises. After the first successful first season in 2008 the second season which was held at South Africa proved that this league has shaken the sport at an international level, showed the shift of power from the developed world to emerging economy like India. The auction process showed that commercial values were not the same as cricketing values.

The creation of the IPL has resulted in an instant windfall for BCCI with the league signing up deals worth over \$1. 749billion in terms of broadcast right, franchise sales and sponsorships . The 64% of the revenue generated through all broadcasting and sponsorship will go to franchises and as guaranteed the franchises get 80%of television revenue in first two years declining to 50% in the third year. To add this they receive 60 %of central

sponsorship for the first 10 years and 50% thereafter. This is because the league wants to maximise the value of team owners. Sponsorship has played a critical role in IPL to make the other companies in Indian market to make deals with either team or individual players to promote the brand to the public.

When the league was shifted to South Africa, to maintain revenues, team owners and co-sponsors came up with innovative ideas to make presence of IPL in Indian and South African markets. As an example the UB Group owner of the (Royal Challenger Bangalore) announced special travel packages on Kingfisher Airlines (an international airline owned by UB Group) for Indians heading to South Africa to watch the tournament.

PROMOTION

The intangible element of any service is difficult to communicate. Promotion is the most essential part of the organisation which helped to communicate to the world about the service. There are different ways for promoting a service.

Advertising

Any kind of promotional activity that has been paid by the company, but the company is not directly involved can be termed as advertising. The sources for that kind of promotions are newspaper, television, radio etc. The advantages of these kind of promotions are that you get support from the people who know about what customers like to see read and hear. The benefit of this is you don't need to put extra effort to promote by yourself. As newspaper, television and radio are commonly accepted for their widespread

network in the advertisement field so that it will reach to most of its customers. The drawback for this kind of advertising is that the lack of customer interaction. They will be telecasting different advertisements on all the channels in every ad break throughout the day so that it will help the people to remember about it.

Television Advertisement

(Ref: <http://www.youtube.com/watch?v=dBBIrcKBMWk&NR=1&feature=fvwp>)

Public Relations

In public relations word of mouth plays an important role to success for services because of their experiential nature. Viral communications- sometimes called electronic word of mouth is been effectively used to promote IPL

Online Promotion

The new media like online promotion can also be used to promote services. Indian Premier League (IPL) use targeted emails to encourage customers. IPL will be sending online advertisements to keep reminding about the dates of the matches . The sponsors will also be telecasting there advertisements on the basis of IPL and promoting the merchandisers

Social Media Environments

IPL is making a very good social media environment like Facebook and twitter very well to interact with the individuals. This will help to get the feedback which can be taken as a suggestion. Through Facebook and twitter

IPL is updating the match reviews and live scores so that it can be beneficial those who doesn't have access to the television. In 2010 IPL has made a successful venture to keep live streaming in social networking site You Tube (www.youtube.com/t20)

PLACE

PEOPLE

As far IPL is concerned the market comprises spectators and the television audience. The IPL can be said as a step for globalisation of cricket from India. It can appeal to market as diverse as Europe, Japan, Malaysia & US. Around 20million Asian and Caribbean fan base migrants are in North America. China is one of the other potential market of interest which made a recent interest to participate in the 2019 cricket world cup by the Chinese authorities. IPL is expanding the cricket viewership. The principle form of change in the success of IPL is geography and innovation. The Asian sub-continent which consists of top of ten cricket playing nations is India, Pakistan, Sri Lanka & Bangladesh. Therefore it provides largest audience for cricket. The Indian market alone is the world's pay-television market, with almost 70million households subscribing to sports channels. In 2010 the third season has been attracted to 200million viewers in India alone. That compares with a global audience of 450million of the last FIFA world cup.

When people enjoy their work it is clear from their body language and the tone of their voice. They give of positive messages about their employer and will go the extra mile for their clients too. The company brand enjoys a very real boost as a result. Ross Urquhart, MD of RPM (Jobber 2010: 846). During the off season the interest in IPL format is being sustained by creation of <https://assignbuster.com/the-impact-of-a-marketing-mix/>

trade window, during which players can be traded between franchises.

Research by the IPL suggest that 70% of those attending a match having never been to one before. From this 70% around 90% of this people went to more matches.

PHYSICAL EVIDENCE

It is an environment in which the service is delivered in IPL, venues are the environment in which games performs. A very well organised opening and closing ceremonies will be conducted where it will be performed by world class performers and a spectacular laser show will be a centre of attraction. All the franchises have the cheer leaders to support their team throughout the match progresses. In an attempt to emulate the American Sports teams one of the franchises even imported cheerleaders from Washington Redskins.

PROCESS

It is a procedure, mechanisms and flow of mechanisms by which a service is acquired (Jobber 2010: 846). A good marketing means it has to happen in all the levels from marketing department to where its service is provided. IPL is providing a good spectacular event for all the spectators even in television as well as live. They have scheduled the matches in prime time so that it is good time for the targeted customers. The major key for the long term success of IPL is that rearing of the solid fan base. They can provide a cost effected entertainment demanded by the fans. Team composition should be reflecting the demand of fans. They can add celebrity players, local players, foreign players, hard hitters, all-rounders as well. The spectators will analyse the team on basis of these factors and the price it is willing to pay. Even they

can make use of this social networking websites to get more supporters for their own teams in the matches.