Marketing Mix: How to Mix for Remarkable Results

A business's marketing mix is key to the getting remarkable results.

And results for a business refer to customers buying from the business. Buying customers provide the needed revenues and profit to sustain a business.

So getting the marketing mix right is of great importance.

But what is the marketing mix?

Marketers use many tools to get their target markets to buy and become customers. These tools (used together) constitute a marketing mix.

Thus, the marketing mix is a set of <u>marketing</u> tools that work together to meet customer needs. And build customer relationships.

These tools when mixed

- create,
- communicate and
- deliver value...

...thereby influencing sales and profit.

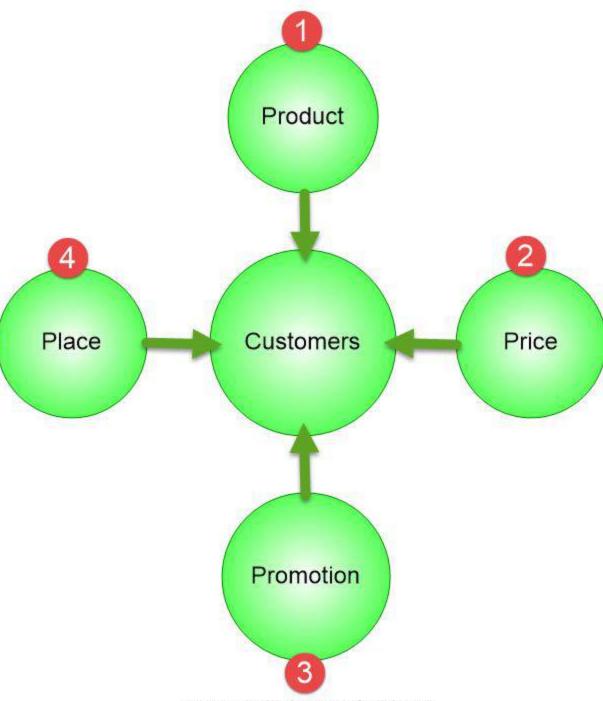
The marketing mix consists primarily of a mix of four major elements often called the 4Ps. The 4Ps are:

- 1. Product
- 2. Price
- 3. Promotion
- 4. Place

These four elements are key decision areas. And they form a major aspect of implementing the <u>marketing concept</u>. But not all businesses adopt the marketing concept. So in different kinds of businesses, marketers have different areas of responsibility.

Still, a key marketing activity is deciding on and managing a company's marketing mix. Deciding on a marketing mix is an important part of marketing strategy. It helps marketers to plan their approach to each market.

Marketing Mix - 4Ps



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A Brief History and How the Mix Has Evolved

The marketing mix was first referenced in 1949 at a marketing conference. But it was not until the 1960s that it became popular.

Around the start of the 1960s, <u>Jerome McCarthy</u> coined the term the "4Ps". He coined the term in his book "Basic Marketing: A Management Approach."

As suggested earlier....

The 4Ps are controllable variables which, when planned and mixed carefully together in the right way, please customers.

Robert Bartels in "The History of Marketing Thoughts" stated that:

"A marketer is like a chef in a kitchen..... a mixer of ingredients"

The marketer mixes product, price, place, and promotion to meet customers' needs. And like a chef in a kitchen, the mix has to be right. If indeed it will meet the target audiences' needs.

Extending the Mix

Since then many have argued that the 4Ps worked for products rather than services. Mary Bitner and Bernard Booms then developed the 7Ps sometimes known as the service mix in 1981.

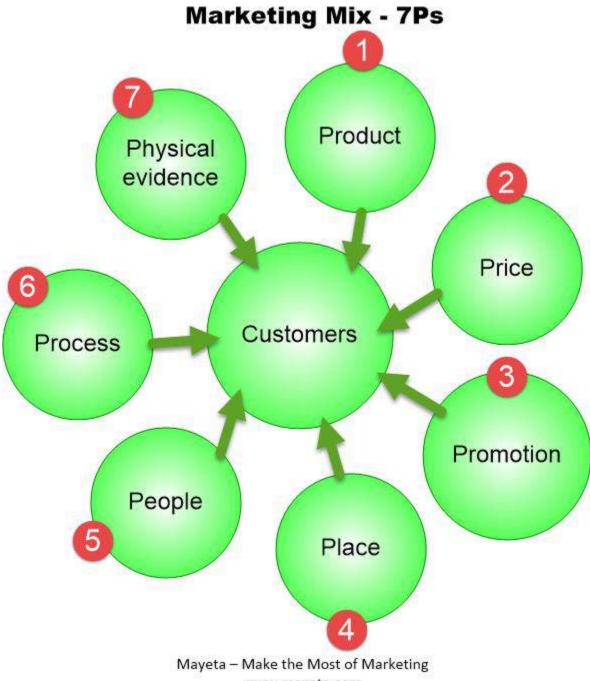
They considered the extra Ps crucial in the delivery of services. The extra Ps are

- 5. People
- 6. Processes, and
- 7. Physical evidence.

People create and deliver a service. And if they aren't happy the service fails apart.

Processes are even more important for services. As the process of production is not behind closed doors (as in the case of products), but open for all to see. Also, processes help standardize services for quality control.

Finally, when buying intangible services many customers rely on cues given from physical evidence (such as uniforms, badges, and buildings).



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Reconsidering the Mix

Because of its origins in the 1960s, some argue that the marketing mix suggest a seller view rather than the buyer view. That it does not clearly recognize the needs of customers.

Thus, the marketing mix can lead to a product focus rather than a customer focus.

To ease this effect, <u>Robert Lautenborn</u> in 1990 suggested the 4Cs framework. The 4Cs considers the 4Ps from a customer perspective. In brief, the 4Cs are:

- 1. Customer value (customer needs and wants from the product)
- 2. Customer cost (cost to the customer, not price alone)
- 3. Convenience (customers' convenience to buy relative to place)
- 4. Communication (two way communication not just promotion)

Are you confused? Don't be. The whole idea with the 4Cs is that when making marketing mix decisions:

- 1. Products should provide customer value
- 2. Price should take customer cost into consideration
- 3. Place should provide convenience
- 4. Promotion should be communication which is two way in nature

Marketing Mix - 7Ps & 4Cs Product/ Customer Physical value 1 evidence Price/ Customer cost 2 6 Customers **Process** Promotion/ Communication People Place/ Convenience

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How to Mix for Remarkable Results

Most noteworthy is that...

Regardless of your approach to the marketing mix, the same principles apply. That's if you are going for great results.

The principles are that you should:

- 1. Stick close to customers
- 2. Learn what they need
- 3. Supply it better than the competition by making the right mix

<u>Putting together marketing strategy</u> will help ensure you get the mix right. Remember not to make marketing mix decisions until you have:

- 1. Selected your target market,
- 2. Decided on how you will gain advantage, and have
- 3. Defined your positioning.

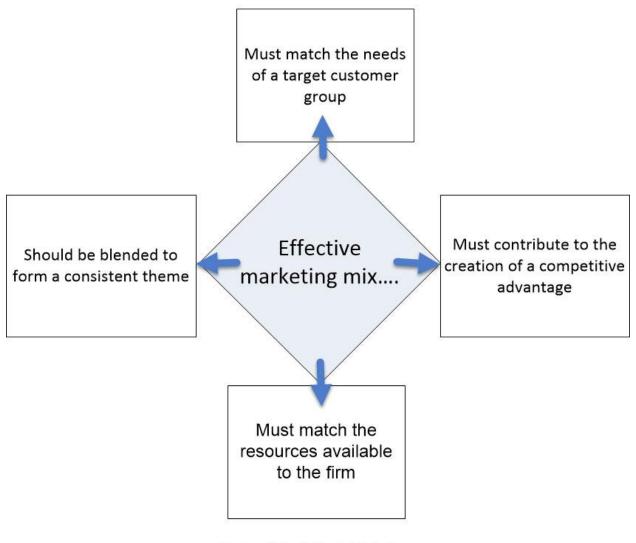
This is because these are also the factors that make an effective marketing mix.

What Makes an Effective Marketing Mix?

An effective marketing mix must:

- 1. Be designed to match the needs of a target market.
- 2. Contribute to the creation of a competitive advantage based on factors that are important to customers.
- 3. Match the resources available to the firm.
- 4. Be well blended to form a consistent theme. For example, the use of exclusive outlets for upscale fashion and cosmetic brands.

Elements of an Effective Marketing Mix



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Especially relevant is that to get the best results, the marketing mix must be managed in an integrated fashion.

Yet in many companies, responsibilities for different elements of the marketing mix are in different hands.

The head of the marketing department of a hotel wanted to increase the hotel's sales and market share. His strategy was to build up customer satisfaction through

- providing better food,
- cleaner rooms,

- better trained staff, and
- slightly lower rates.

But he had no authority in these matters.

- The catering department chose foodstuff that kept down food costs;
- Maintenance department used cleaning services that kept down cleaning costs;
- Human resources department hired people without regards to how friendly they are;
- The finance department set the rates.

Because these departments and the hotel had a cost or production point of view, the head of the marketing department's progress in creating an integrated marketing mix was hindered.

This is also the challenge in many organizations. Perhaps, many need to be sold on the marketing concept and the need to put the customer first. It's the sure-fire way to ensure an organization's growth and survival.

Still on How to Mix for Remarkable Results

It is also important to think beyond the short term mix and think long term. This means choosing a mix that nurtures lifetime customers.

Ask how each marketing mix decision affects customer relations.

To further explore how to mix for remarkable results, let's look at each element of the marketing mix.

- 1. Product (page 10)
- 2. Price (page 18)
- 3. Promotion (page 21)
- 4. Place (page 25)
- 5. People (page 27)
- 6. Physical Evidence (page 27)
- 7. Process (page 29)

Product

A product is an item that satisfies what a consumer demand. It refers to these types of entities:

- Goods
- Services
- Experiences
- Events
- Persons
- Places
- Properties
- Organizations
- Information
- Ideas

The choice of what products and benefits to offer to a group of customers is known as the "product decision".

An important part of it is new product/service development. As technology and tastes change, products become out of date and inferior to those of the competition. So companies must replace them with features that customers value.

But beware of going too far with features and product quality. Don't try to sell a Lexus IS350 when the customer really wants a Toyota Corolla.

Most noteworthy is that the customer defines a "product" or "service", not the producer. It's important to understand the real value you deliver. And to work hard at improving such value you deliver to customers.

The greatest danger you face is for you to assume you "know better" than the customer what the product or service should be used for.

It's a common saying in marketing that....

Businesses are not paid to reform customers. They are paid to please customers.

Summarily, product decisions involve making choices about

- brand name,
- packaging,
- product variety,

- quality,
- design,
- features,
- sizes,
- services,
- warranties, and
- guarantees with the product offering.

Note that a product differs from a brand. Even as sometimes it's suggested they are the same thing.

You probably already know how they differ, don't you?

Difference Between a Product and a Brand

A product can be anything that has the capacity to meet customer needs.

Whereas, a brand is a thought in people's mind. It is the thought consumers associate with your product(s).

You want consumers to remember your product. But not just to remember it, you want them associate it with the best of thoughts, don't you?

What happens when you hear someone call out "iPhone"? You immediately recall the phone and most likely associate it with quality and class, don't you?

What you thought of was the iPhone brand. Apple did a great job of branding their product (the iPhone).

Branding is the process by which firms distinguish their product from the competition in consumers' minds.

If you are already guessing, branding indeed involves everything your business does. Because everything you do determines how people think of you of i.e. how they brand you.

Especially relevant is that....

Your branding efforts should take it cue from your positioning. And your product decisions better help your branding. Even as your branding makes it easier for your customers to decide to buy from you.

Extending Products Online

Shikar Ghosh in his Harvard Business Review article "Making Business Sense of the Internet," suggested that.....

You should consider how to modify product and add digital value to customers.

He urges you to ask if you can:

- 1. Afford additional information or transaction services to your existing customer base?
- 2. Address the needs of new customer segments by packaging your current information assets. Or by creating new business propositions using the internet?
- Use your ability to attract customers to generate new sources of revenue online?
 Advertising or sales of complementary products are possible sources of such online revenue.
- 4. Be harmed by other companies providing some of the value you currently offer?

He suggests you need to analyze each feature of your product or service. And ask how you can improve or adopt each of these features online.

Can Every Product Be Extended Online?

Yes!

There is no doubt that every product or service can find some added value online. Even for FMCG, it's possible to extend brand experiences online.

So it's not some product and services that can extend themselves into the online world. Indeed, you can extend any product from any business online.

It's obvious that the entertainment, education, and advice services are ideal. But surprisingly so are complex industrial products. In fact, the more complex the product, the better it is the opportunity to extend it online. Since there is a need to educate, train, test, install and service. Most of which you can integrate online.

You can even extend less complex but highly involved consumer purchases online. For example, you can use the internet to help a customer buy a car through "mixed mode" purchasing.

Managing Products Over Time

Products need to be managed over time. A useful tool for doing that is the product life cycle.

The classic product life cycle (PLC) has four stages.

- 1. Introduction
- 2. Growth
- 3. Maturity
- 4. Decline

The PLC calls attention to the fact that nothing lasts forever. Products need to be terminated and new products developed to replace them.

But like many marketing tools, the PLC has its criticisms and is not a cure all. Use it to help you make sound judgment. But as always, your situation should guide you.

Let's explore the PLC stages.

Introduction

When a product is first introduced on to the market, its sales growth is typically low. You need to watch the speed of product adoption. And, if it is disappointing, you may end the product at this stage.

The product at this stage should be fairly basic. It should be reliable and functional. Rather than having special features to appeal to different customer groups.

Growth

In this stage, the product sales faster and profit grows. Sales growths come from fast market acceptance, and for many products, repeat buying.

Profits may begin to reduce towards the latter stages of growth as new rivals enter the market. Fast sales growth and high profit potential attract these rivals. The end of growth period is often associated with "competitive stake-out". During such stake-out, weaker suppliers stop production.

Here, you should redesign the product to differentiate it from its competition.

Maturity

In this stage, product sales peak and are unlikely to change as the market becomes saturated. Saturation hastens competitive shake-out.

Weaker competitors leave the market for the strongest competitors. The survivors now battle for market share by

- introducing product improvements,
- using advertising and sales promotional offers,
- dealer discounting and
- price cutting.

The result is strain on profit margins, particular for follower brands.

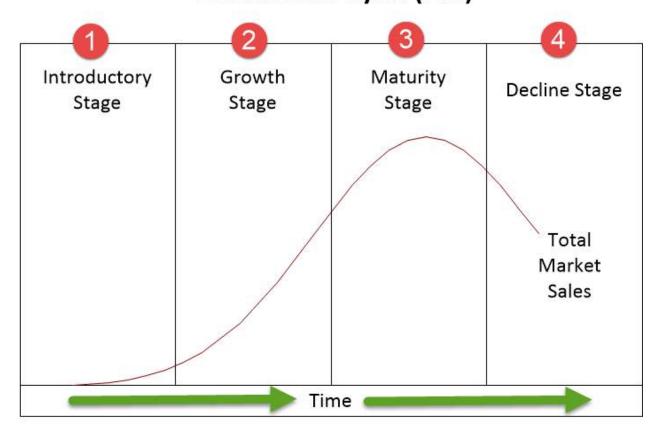
Here, you need to effectively keep building your brand. This is because, during maturity, only brand leaders can keep profit margins.

Decline

During the decline stages, sales and profit fall. A decline happens when new technology or changes in consumer tastes work to reduce demand for a product.

In this stage, you may decide to stop production completely or reduce product depth. You may also slash your promotional and product development budget. And drop distribution as you try to maintain (or increase) profit margins.

Product Life Cycle (PLC)



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Making Product Decisions for Services

Services present some extra challenges when making product decisions. These challenges stem from the unique characteristics of services.

For example, in many instances services are produced and consumed at the same time. Unlike physical goods that are produced, stored and then delivered. Sometimes delivery is even through a long distribution channel, to the market.

This means that making product decisions for services create some unique issues.

The Unique Characteristics of Services

There are four key characteristics that distinguish services. This is as suggested by David Jobbber and John Fahy in their book "Foundations of Marketing". Services are:

- 1. Intangible
- 2. Inseparable
- 3. Hard to standardize.
- 4. Highly perishable

Services Are Intangible

Pure services cannot be seen, tasted, touched, or smelled before they are bought. That is, they are intangible.

Rather a service is a deed, performance or effort, not an object, device or thing.

Being intangible may mean that a customer may find it difficult to check a service before buying it. What do you do as a service provider to overcome this challenge?

You use tangible cues to suggest service quality. For example, you can design your business space to suggest the quality of your service.

That's why hotels invest in tangibles such as the decor of rooms and staff uniforms. These things suggest quality of service to prospective customers.

Always remember...

The task is to provide a sign of likely service quality, to offer a physical evidence of service quality.

Services Are Inseparable

Unlike physical goods, services are produced and consumed at the same time.

For example, a haircut, a medical operation, and a music concert are produced and consumed at the same time.

This illustrates the importance of the service provider. The service provider is essential to the consumer getting satisfied. How service providers conduct themselves is important for repeat business. It may even be more important than the actual service task performed.

Thus, you must provide a service not only at the right time and in the right place but also in the right way.

Often in the customer's eyes, the people that provide services are the company.

This makes crucial the selection, training and rewarding of personnel that provide services. They need to meet high standards of service quality.

Also, the consumption of the service may take place in the presence of other consumers. This is the case with restaurant meals, air travel, and many forms of entertainment.

So, enjoyment of the service depends not only on the service provided but also on other consumers.

Thus, you need to find possible sources of nuisance (e.g. noise, smoke, queue jumping) for the service you offer. And make adequate provision to avoid inter-customer conflict.

For example, your restaurant layout should provide space between tables and non-smoking areas. This is so that you reduce the potential for conflict.

Services Are Hard to Standardize

Service quality may vary considerably because standardization is difficult. Two restaurants within the same chain may have variable service. This may be due to the capabilities of their respective managers and staff.

You mitigate this by:

- 1. first, creating a process that standardizes how you deliver a service, then
- 2. rigorously selecting and training your people, and
- 3. providing rewards for delivering quality service.

The potential for variable service quality stresses such need.

Services Are Perishable

The fourth characteristics of services are that they are perishable. You cannot store an unused service for the future. A hotel room or an airline seat that is not occupied today represents lost income forever.

Contrast this with a physical good. If your physical good is not sold today, you can store it and sell it later.

So, it is important to match supply and demand for services.

Summing up Making Product Decisions for Services

In summary, being

- intangible,
- inseparable,
- variable and
- perishable...

...combine to distinguish services from products. This also means that service customers suffer higher perceived risk in their decision-making. And that the three elements of the extended marketing mix

- people (because services are inseparable),
- physical evidence (because services are intangible) and
- process (to help standardize services which are variable by nature)...

...are crucial in influencing the customer's perception of service quality.

You should consider combining products and services to better serve customers. That should also in helping in building your brand.

Price

Price is the monetary value of your product(s) or service(s) to your target market.

It represents the value you capture for the value you provide on a unit basis. Because of this, it is a key element of the marketing mix.

Price allows you to cover your cost and indeed meet customers' need profitably.

Make no mistake all the other elements represent costs.

Thus, you need to be very clear about

- pricing goals,
- pricing methods and
- the factors that influence price setting.

For example, for a retailer, pricing involves

• a pricing approach for the establishment or chain, as well as

• setting prices for each individual item.

And for service firms, there are fees and rates and the application of each in a given transaction.

Especially relevant is that...

For most business types, there also exist instances of competitive bidding and negotiation. These are also are components of pricing.

So in pricing, you must take into account the necessity for discounting and offering allowances in some transactions.

This is beside the following plus your target markets and positioning. Those also play important roles in your pricing decisions.

What You Should Consider in Pricing

Find below some of the things you should consider when making pricing decisions.

Breakeven

Serving customers cost money. At least your pricing should enable you to get back your cost of serving customers. Or you are losing money.

So there is a point below which it would be unreasonable to price your offering. That point is known as the breakeven point.

You shouldn't price your offering below the breakeven point. That is unless you are willing to take a loss to drive sales. And later make money through sales of complementary offerings.

Price Sensitivity

For many products, when price changes, demand for the product changes. For such products, consumers are price sensitive.

Typically, a higher price reduces demand. While a lower price increases demand. Note the dynamics of your product when making pricing decisions.

Most noteworthy here is that effective branding reduces consumers sensitivity to price changes.

Promotions

Of course, and as earlier suggested, price is an important promotional tool for you. You can use it as a customer incentive to meet short-term goals.

Product Life Cycle

You should consider where your product is in the product life cycle when pricing. Your situation analysis and product decisions should help you in this regard.

In each stage, a high or low price strategy may be appropriate to meet different needs.

The following are pointers to help you make pricing decisions at each stage.

Introductory Stage

Products in the introductory stage see little competition. So they can be priced relatively freely.

Here, you can use a low price to build a customer base quickly. Lower prices encourage trail and consumption by many consumers.

Or, you can use a high price to generate profits to cover investment cost for the new product. And to maximize profit while there is still limited competition.

Growth Stage

In this stage, the market is growing, as a larger part of the mass market become users or purchasers.

As the market expands, competition increases and price becomes a competitive tool. You can set or maintain a high price at this stage to build profits. Or you can use a low price to build market share and deter competitive entries.

Maturity Stage

In this stage, the market has slowed or stopped growing. Price becomes important, as well as service. This as products become standardized and offer fewer innovation.

It is best you avoid this stage or at least reduce its effects. You do this by continually improving your product or service. Yet, you should use pricing to finance new products. Or use low pricing to simply compete and maintain your market share.

Pricing Services

Here are three pointers for making pricing decisions for services.

First, because it is difficult to check a service before buying, price may act as an indicator of quality.

For example, in a travel brochure, the price charged by hotels may be used to suggest their quality. Some companies expect a management consultant to charge high fees. Otherwise, they cannot be particularly good.

Second, price is an important tool in controlling demand. Managing demand and supply is critical for services because they cannot be stored. Creative use of pricing can help to smooth demand.

Lastly, some customers may be willing to pay a much higher price than others. You can use time to offer different prices to price-sensitive and price-insensitive customers.

Promotion

Promotion refers to the means by which the target market is made aware of a product or service. And the benefits it provides to customers.

Promoting products and services is a key marketing activity. But unfortunately, some (many) people think that promotion is all there is to marketing.

Promotional activities can aim at the market as a whole or at targeted individuals. Those that aim at the market as a whole are mass communication techniques. While those that aim at targeted individuals are direct communications.

Main Promotional Mix Elements

The range of techniques the marketer decides to use is usually known as the "promotional mix". And it usually comprises of these main elements.

Advertising

This refers to any paid form of non-personal communication of products in the media. Media includes television, press, billboards, posters, cinema, radio, etc.

Sales Promotion

These are incentives to consumers or the trade that aim to stimulate buying.

Publicity

It refers to...

...the communication of a product by placing information about it in the media...

...without paying for the time or space directly.

Sponsorship

This refers to the association of a product with an individual, event or organization.

Direct Mail

This is the distribution of

- products,
- information and
- promotional benefits...

...to target consumers through interactive communication...

...in a way that allows measuring response.

Personal Selling

This refers to oral communication with prospective buyers...

...with the intention of making a sale.

Other noteworthy promotional mix elements include:

- Exhibitions
- Merchandizing
- Packaging
- Word-of-mouth

Besides these promotional tools, the marketer can also use any other technique. The goal is to make sure to communicate value to the right audience at the best possible cost.

Online Promotional Mix Elements

You can extend all the main promotional mix elements online in new and dynamic ways.

Most noteworthy is that...

It is best you think of the website as an integrator of all tools rather than a separate communication tool. The website is a communications channel, a distribution channel and a selling channel.

That said, here are some of the online equivalents of all the main promotional mix elements.

- 1. Advertising interactive display ads, pay per click search advertising, other display ads
- 2. Sales promotion incentives, rewards, online loyalty schemes
- 3. Publicity online editorials, e-zines, newsletters, social networks, links and viral
- 4. Sponsorship sponsoring on online event, site or service
- 5. Direct mail opt-in email using e-newsletters and e-blast plus web response
- Personal selling virtual sales staff and chat and affiliate marketing
- 7. Exhibitions virtual exhibitions and white-paper distribution
- 8. Merchandizing promotional ad serving on retail sites, personalized recommendations and e-lerts
- 9. Packaging virtual tours, real packaging is displayed online
- 10. Word-of-mouth viral, affiliate marketing, email a friend, links

Other online promotional mix elements include:

- 11. Search engine optimization (SEO) which arguably fall under publicity, and
- 12. Mobile marketing comprises of many other elements

What Makes a Good Promotional Mix?

As each element of the promotional mix has its own set of strengths and weaknesses. A good promotional mix will make the most of strengths while reducing weaknesses.

Also, a good promotional mix needs to coordinate messages and their execution. That is to say, a good promotional mix needs to be well integrated to best meet goals.

It is important that you do not make promotional mix decisions in isolation. As stressed before, you need to blend together all aspects (elements) of the marketing mix.

You must align the promotional mix with the decisions you made as regards

- Product
- pricing and
- distribution,...

...to communicate benefits to a target market.

Promotional Mix Decisions and the Product Life Cycle

Based on which stage a product is in its life cycle, how to promote it should differ. Here are some pointers for your promotional mix based on where a product is in its life cycle.

Promoting Products at the Introductory Stage

For a new product, promotion should support the brand objectives. It should gain awareness for the brand and product type, and thus prompt trial.

Advertising has been <u>found to be more effective</u> at the start of the life of a product than in later stages.

Promoting Products at the Growth Stage

For a product at the growth stage, promotion should stress how the product is different. And also stress the benefits that result from such differentiation.

Promotion should also begin to focus on repeat buying. This is not to say that it should ignore awareness and trail which are still important.

Promotional Mix Decisions for Services

The intangible nature of a service may be difficult to communicate. For example, it may be difficult to represent hard work and courtesy in an advertisement.

Again, the answer is to use tangible cues to help customers understand and judge the service. A hotel, for example, can show the buildings, friendly staff, and happy customers. An investment company can provide tangible evidence of past performance.

You can use testimonials from satisfied customers to communicate services benefits. Advertising can also help to communicate and reinforce the image of a service.

You should also target employees in your communications. This is because of their importance in creating and maintaining service quality.

Note that outside communications that depict service quality can also influence staff. That is if they include employees and show how they take exceptional care of their customers.

You should take care not to exaggerate promises in your promotional materials. Since this may build up expectations that will be hard for you to meet up to.

Place

Place has to do with decisions on distribution.

Distribution is the transmission of goods and services from the producer to the user.

By this definition, we mean the method through which the target market user receives the product from the producer.

It could be direct or through one or more intermediaries or channels.

So, place has to do with decisions on the:

- 1. Distribution channels to use and their management
- 2. Location of outlets
- 3. Methods of transportation
- 4. Inventory levels to hold
- 5. Ways of displaying products to customer groups. This could be in a shop window, but it could also be via the internet.

The goal is to make sure products and services are available in the proper quantities, at the right time and in the right place.

Most noteworthy is that....

Distribution channels consist of organizations such as retailers or wholesalers. And other partners through which goods pass on their way to customers.

Producers need to manage their relationships with such organizations well. This is because they may provide the only cost-effective access to the marketplace.

And indeed cost is important when making place decisions.

So make sure you keep an eye on your cost. Be sure to keep storage, inventory and distribution costs to an acceptable level.

But do so while taking into consideration these factors that influence place decisions.

Factors that Influence Place Decisions

- 1. Penetration or market coverage
- 2. Type(s) of outlet(s) or channel(s)
- 3. Competition
- 4. Geography
- 5. Timing

Let's explore one of these factors.

Types of Outlet(s) or Channel(s)

As with price, the type of product and the product life cycle affects the channel decision.

For new products you are still testing, you need specific and limited distribution. Besides, your production levels will likely be small thus needing only limited distribution.

Also, the product may need personal selling because of its complexity and newness. So you need specific outlets or channels that can provide the needed service level.

If you have an already established product, production levels will be higher. The product may also be more standardized. Thus, you will have less demand for a specialized selling effort. Or it may be appropriate to for you to sell such product in a self-service, self-help type of environment.

Online Channels

Online channels provide another channel to market. They are best used as part of an integrated channels strategy that offers convenience. The target market can buy items either online or through retail locations. Whatever proves more convenient and improves their experience with the brand.

Online channels should cooperate, rather than compete, with existing channels.

People

As stated before....

Because services are produced and consumed at the same time, the people that provide services are very important. They influence how the customer perceives the product quality.

In fact, service quality is inseparable from the quality of the service provider.

Research on customer loyalty in the service industry by the Forum Corporation has shown that...

...only 14 percent of customers who stopped patronizing service businesses did so...

...because they were not happy with the quality of what they had bought.

More than two-thirds stopped buying because they found service staff indifferent or unhelpful.

So, people form an important element of the marketing mix, especially for services. Again, people refer to your employees and how they execute a service. It is about the manner and skill in which they do so.

In order for your service people to treat customers well, they need to feel that you are treating them well.

An important marketing task for you is to <u>set standards to treat your people well</u>. And improve the quality of service they provide your customers. You need to also track their performance in delivering the quality you need.

Always remember that...

Without training and control, your employees will be variable in their performance. This will lead to variable service quality. And you don't want that.

Physical Evidence

Customers look for clues to the likely quality of a service by looking at tangible evidence.

For example, consumers may gaze through a restaurant window to check its quality. They may check the appearance of the waiters, décor, and finishing and use such as a proxy for quality.

The ambiance of a retail store is dependent on decor. Color can play an important role in establishing mood because color has meaning.

Physical evidence as part of the marketing mix refers to the evidence that assures the customer of the service to be performed. It may also refer to the evidence which shows that a service was performed.

Your physical evidence must confirm the assumptions of the customer. For example, you should deliver a financial services product in a formal setting. And you should run a children's party company in a more relaxed approach.

Physical Evidence Online

Online, customers look for cues such as a well-designed site (as well as endorsements) to give them clues about the quality of a service.

Besides the website, customers also look for the following to reassure themselves:

- 1. Guarantees
- Refund policies
- 3. Privacy policies
- 4. Security icons
- 5. Trade body memberships
- 6. Awards
- 7. Customer lists
- 8. Customer endorsements
- 9. Independent reviews
- 10. News clippings

Physical evidence should help integrate the online and offline world.

Your offline physical evidence should reinforce the message your online physical evidence signals. And vice versa.

If they don't, it can damage your brand. So, you need to make sure they do.

Process

This is the procedures, mechanisms, and flow of activities by which you deliver a service. Your process decisions radically affect how you deliver a service to customers.

Such decisions also help standardize your service quality.

Most noteworthy is that....

Customers are not interested in the detail of how your business runs. What matters to them is that the system works. So, design your systems for the customer's benefit, not the company's.

Try as much as possible to not keep customers waiting. But if they have to, make the time spent waiting more enjoyable.

Research has shown that an attractive waiting environment can prevent customers becoming irritated. This is even when they may have to wait a long time.

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