

Role of Marketing Mix on Customer Satisfaction

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Abstract:

The one of the essential factor for the success of any business organization is customer satisfaction. All the activities are customer oriented. And it gets possible only through rising role of marketing in business organizations day-by-day. And now in today's scenario marketing is known as the foremost target of every organization as due to customer satisfaction long run and successful survival of their organization is possible. Marketing is knowing about the consumer requirements and offering products and services accordingly. It even goes to the extent of finding out to what extent the consumer is satisfied with the products and services offered by the marketer. It is also considered to be the methodology of communicating the value of a product or service to customers, for the purpose of selling that product or service.

Marketing Mix refers to 4Ps-Product, Price, Placement and Promotion. However, in recent years, service marketing included 3 more Ps- Process, Physical environment and People. The strategies. With reference to these elements of marketing mix play a vital role while enhancing the customer satisfaction. This paper explores how the marketing mix strategies enhance the customer satisfaction.

Key Words: Market, Marketing, Marketing Mix, Strategies & Customer satisfaction.

Introduction

Customer satisfaction is a psychological law based on perception and degree of satisfaction. For meeting customer's requirement, high quality of products and services should be provided. A business term is there to measure how product and services supplied by a company meet or surpass customers' expectations is known as customer satisfaction. Customer satisfaction is known as one of the perspective of balanced scorecard and seems as a key performance indicator. For surviving in this competitive marketing place and marking differentiation between satisfaction is seems to an important key element to make the business strategy. For successful marketing, five key steps are there Target To Your Customers, Understanding Your Customers, Making Values For Target Customers, Communication Of Values and Making Easy For

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Customers To Buy That Value. Market is the place where sellers exchange goods and services with buyers for a price. Marketing is knowing about the consumer requirements and offering products and services accordingly. It even goes to the extent of finding out to what extent the consumer is satisfied with the products and services offered by the marketer. It is also considered to be the methodology of communicating the value of a product or service to customers, for the purpose of selling that product or service.

Marketing is not an easy task as it appears to be. For that matter, every element in the process of marketing management is a herculean task. It mainly relies upon the decisions with regard to marketing mix.

Marketing mix

For the creation and better implementation of marketing strategies, marketing mix is known as a suitable model. For the attainment of the organizational and consumer objectives, marketing mix model lays stress on the various factors. The elements of it are known as marketing tactics comprise of 4P's namely product, price, place, promotion. And in modern marketing concept, its amount extends up to seven namely, product, price, place promotion, people (personnel), process and physical evidence. Marketers should targets there market for blending the mix elements. Firstly, marketers must know about their target consumers, their wants and preferences and then construct the mix elements in the appropriate way to formulate better marketing strategies and plans to satisfy the target consumers. For achieving goal, the marketer should control over these marketing mix elements to work in the changing environment i.e., internal and external. 4P's are arranged in such a manner which create perceived value and generate a positive response. It can be divided into four groups of variables commonly known as the four Ps as follows:

- **Product:** The goods and / or services offered by a company to its customers.
- **Price:** The amount of money paid by customers to purchase the product.
- **Placement:** The activities that make the product available to consumers.
- **Promotion:** The activities that communicate the product's features and benefits to customers and persuade them to purchase the product.

Each of the four Ps has its own tools to contribute to the marketing mix as listed below:

- ❖ **Product:** features, design, quality, brand name, packaging, services and variety.

- ❖ **Price:** list price, discounts, allowance, payment period and credit terms.
- ❖ **Place:** channels, coverage, locations, logistics, inventory and assortments.
- ❖ **Promotion:** advertising, personal selling, sales promotion and public relations.

Marketing Strategy

An effective marketing strategy combines the 4 Ps of the marketing mix. It is designed to meet the company's marketing objectives by providing its customers with value. The 4 Ps of the marketing mix are related and combine to establish the product's position within its target markets.

Customer Satisfaction

Customer satisfaction is term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. It is defined as “the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals. In a survey of nearly 200 senior marketing managers, 71 percent responded that they found a customer satisfaction metric very useful in managing and monitoring their businesses.

It is seen as a key performance indicator within business and is often part of a Balanced Scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. Therefore, it is essential for businesses to effectively manage customer satisfaction.

An ideal business is one which continuously seeks feedback for improving customer satisfaction as represented below:



The four Ps as the four Cs

In four Ps of the marketing mix can be interpreted as the four Cs. They put the customer's interests ahead of the marketer's interests. They can be discussed as follows:

- **Customer solutions, not products:** Customers want to buy value or a solution to their problems.
- **Customer cost, not price:** Customers want to know the total cost of acquiring, using and disposing of a product.
- **Convenience, not place:** Customers want products and services to be as convenient to purchase as possible.
- **Communication, not promotion:** Customers want two-way communication with the companies that make the product.

OBJECTIVES OF THE STUDY

The main objective of this study is to truly define the solution of the problem of the research. i.e.,

1. To build an analytical connection between the customers satisfaction with the marketing mix model, the four Ps and benchmarking.

- Determination of products and services that helps to meet the needs of customers.
- Determination of the distribution channels according to the potential customer desire
- To observe the value of price that intended customers willing to pay.
- To analyze the impact of the promotion of the business on customers.
- Setting of benchmark base on the four P's of marketing mix.

2. Creation of perceived value and generate a positive response.

Role of Marketing Mix Strategies in enhancing customer satisfaction

Product Strategies

For not only ensuring but also enhancing customer satisfaction, organizations need to concentrate on product strategies. In this process, let us understand various product decisions such as product design, product features, product quality and product branding as discussed below.

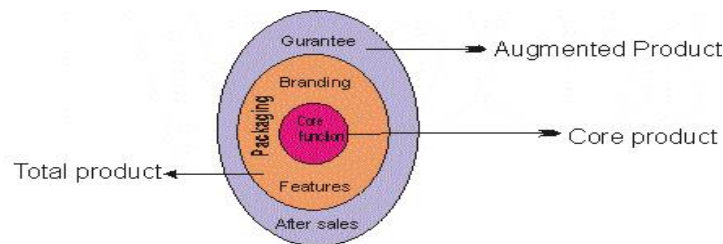
Product Design

Product design is the most obvious aspect of a product. An appropriate design of a product can lead to enhanced customer satisfaction. For example, bright colours can enhance children's satisfaction, pink and pastel colours may enhance female adults' satisfaction, and dark colours such as black, navy, charcoal etc. may enhance male adults' satisfaction.

Product features (and benefits)

Marketing is basically about providing the correct bundle of features / benefits to the end user. It is not about providing products or services. It is essentially about providing changing benefits to changing needs and demands of the customer.

Philip Kotler in his book “Principles of Marketing” devised a very interesting concept of benefit building with a product. This can be represented as follows:



Kotler suggested that a product should be viewed on three levels. These three levels can be illustratively explained as follows:

Level 1: Core Product

What is the core benefit your product offers? For example customers who purchase a camera are buying more than just a camera, they are purchasing memories.

Level 2: Actual Product

All cameras capture memories, therefore your aim is to persuade them to capture memories with your camera. The strategy at this level is to add branding, features and benefits which offer a differential advantage over your competitors.

Level 3: Augmented Product

This level is about exploring if there are any additional non-tangible benefits you can offer.

Competition at this level is based around after sales service, warranties, delivery and so on. For example John Lewis a retail department store offers a free five year guarantee with television purchases. A five year guarantee offers their customers peace of mind that their television will be repaired or replaced should a fault develop.

Product Quality

A quality product is difficult to define as it will mean different things to each consumer. The challenge for all firms is to set their quality level and ensure that it meets the expectations of their target market. In general quality is made up of tangible features (features that can be seen) e.g. performance, appearance, strength and intangible features such as reputation and exclusivity. In all circumstances a product's quality should be consistent with other elements of the marketing mix. For example a premium based pricing strategy will require a quality product to support the price tag.

Product Branding

One of the most important decisions a marketing manager can make is branding for their product. The value of brands in today's environment is phenomenal. Brands have the power of instant sales, they convey a message of confidence, quality and reliability to their target market. A brand is a tool which is used by an organisation to differentiate itself from competitors.

Successful brands are managed by dedicated brand managers tasked with growing and protecting the brand. There are many examples of firms bringing legal action against anybody that they feel is infringing their branding and the intellectual property rights associated with it. Product branding has to work across all of the firm's trading and promotion platforms including retail shops, telephone, television and of course the internet.

Pricing Strategies

A business can use a variety of pricing strategies when selling a product or service. The Price can be set to maximize profitability for each unit sold or from the market overall. Businesses may benefit from lowering or raising prices, depending on the needs and behaviors of customers and clients in the particular market. Finding the right pricing strategy is an important element in running a successful business. The important pricing strategies w.r.t. enhancing customer satisfaction can be discussed as follows:

Pay what you want

Pay what you want is a pricing system where buyers pay any desired amount for a given commodity. In some cases, a minimum (floor) price may be set, and/or a suggested price may be indicated as guidance for the buyer. The buyer can also select an amount higher than the standard price for the commodity.

Price discrimination

Price discrimination is the practice of setting a different price for the same product in different segments to the market. For example, this can be for different classes, such as ages, or for different opening times.

Value-based pricing

It is also known as Perceived-value pricing. Pricing a product based on the value the product has for the customer and not on its costs of production or any other factor. This pricing strategy is frequently used where the value to the customer is many times the cost of producing the item or service. For instance, the cost of producing a software CD is about the same independent of the software on it, but the prices vary with the perceived value the customers are expected to have. Other important pricing strategies for enhancing customer satisfaction include absorption pricing, high-low pricing, limit pricing, loss leader pricing etc.

Placement Strategies

For enhancing customer satisfaction, placement strategies play a vital role. Important placement strategies can be discussed as follows:

Depending on the type of product being distributed there are three common distribution strategies available:

1. Intensive distribution is used commonly to distribute low priced or impulse purchase products eg chocolates, soft drinks.
2. Exclusive distribution involves limiting distribution to a single outlet. The product is usually highly priced, and requires the intermediary to place much detail in its sell. An example of this distribution would be the sale of vehicles through exclusive dealers.
3. Selective Distribution where a small number of retail outlets are chosen to distribute the product. Selective distribution is common with products such as computers, televisions household appliances, where consumers are willing to shop around and where manufacturers want a large geographical spread.

If a manufacturer decides to adopt an exclusive or selective strategy, he should select a intermediary which has experience of handling similar products, credible and is known by the target audience.

Promotion Strategies

Some of the important promotion strategies to enhance customer satisfaction can be discussed as follows:

Advertising: It is any non personal paid form of communication using any form of mass media

Sales Promotion: It is commonly used as a short term tool to enhance sales. It involves special offers, coupons etc.

Personal selling: It involves selling the products while meeting, explaining and persuading the customers to buy the products.

Public relations: It involves developing positive relationships with the media, public etc.

Thus, the commercial enterprises have to make use of marketing mix strategies for enhancing customer satisfaction because if there is no satisfaction or no enhanced satisfaction, the customers may shift their loyalty leading to less growth or extinct of their businesses.

Conclusion

It is the strength of this research that it lays on its specific focus on the connection between the customer's satisfaction with the marketing mix model, the four Ps and benchmarking. This research also shows the impact of customer buying behavior base on the company quality policy regarding product, price, place, promotion. As all the policy formulation revolves around the customer's interest. Through the above research we come on the following crux as follows:

A clear picture is there which shows the connection between customers' satisfaction and marketing mix model, the four Ps. The 4P's are the main parameters that the marketing manager can control, subject to the internal and external constraints of the marketing environment. Gain insight into future industry trends that will affect its business. Understanding the customers. Make values for customers. Communication of the retail value to target market. Helpful to managers to look outside of themselves for solutions. This research enables the retail stores to gain insight into future industry trends that will affect its business, get data and analysis in the most cost-effective and flexible manner. There are some limitations of the marketing mix like internal dissensions, conflicting objectives, prediction of the stage of the PLC etc. Even though, it is used by marketers to formulate policies. Rough outlines of potential marketing activities are understood by the marketing manager that can be used to take advantage of capabilities and convert weaknesses and threats. However, at this stage, there will likely be many potential directions for the managers to pursue. The manager must prioritize all marketing activities and develop specific goals and objectives for the marketing plan. It even goes to the extent of finding out to what extent the consumer is satisfied with the products and services offered by the marketer. It is also considered to be the methodology of communicating the value of a product or service to customers, for the purpose of selling that product or service.

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