The Marketing Mix - 4Ps and 7Ps

Why do some carefully planned products still fail to win customers? Often the plan covers some decisions and forgets others. The marketing mix is a checklist of the decisions that a business controls to serve one chosen customer: the four classic Ps, and the seven Ps that add what matters in services. In this video, Hind, marketing director of a chain of physiotherapy clinics, uses both to find out why patients who booked do not come. This video is a teaching aid, so facts and figures should be checked before use.

1. The Four Ps

Jerome McCarthy proposed the four Ps in nineteen sixty. Product is what the customer receives, including quality, design, brand and warranty. Price is what the customer gives up, including discounts, payment terms and the effort of buying. Place is how the customer reaches the offer: channels, locations, stock and delivery. Promotion is how the customer learns about the offer: advertising, public relations, direct selling and special offers. The four are decided together, because each one changes the meaning of the others. Before choosing any of them, we name the customer we serve, because a mix is built for one segment.

Example: A coffee roaster sells a premium bean. The product is single-origin and freshly roasted, the price is above supermarket brands, the place is specialist shops, and the promotion is tasting events. A shopper tastes the coffee at one of the events, finds the bag in a nearby shop and accepts the higher price. Every choice supports the same message of quality, so the four Ps agree.

At work: Hind starts with the four Ps of her clinics. The product is physiotherapy programs for office workers with back pain. The price is a fixed fee per session, with discounts on packages. The place is eleven clinics near business districts, and the promotion is search advertising and agreements with employers. Everything looks sound, yet one new patient in four misses the first session.

2. The Three Added Ps

Booms and Bitner extended the mix in nineteen eighty-one with three elements that suit services. A service is produced and used at the same moment, so the customer meets the people, the steps and the surroundings, and judges the service by them. People are the staff who deliver the service and the other customers who share it. Process is the sequence of steps and rules through which the service is delivered, such as booking, waiting and follow-up. Physical evidence is everything the customer can see or touch that makes an invisible service visible, such as the building, signs, uniforms, invoices and the website.

Example: A bank branch offers the same loan, at the same rate, as its competitor. It still wins or loses customers by the advisor's manner, the number of forms and the waiting area. A customer who meets a warm advisor, signs one short form and waits in a quiet, clean room trusts the branch more, even though the loan is identical. Here the three added Ps are at work: people, process and physical evidence.

At work: Hind walks the patient's path as if she were a stranger. She finds that booking is possible only by telephone during office hours, that nobody confirms the appointment, that reception has no sign saying where to wait, and that the first greeting is a form to fill in. People, process and physical evidence are all weak, although product, price, place and promotion are strong.

3. Making the Seven Agree

The seven Ps are not seven separate projects. They form one picture, and the customer feels the weakest part of it. We write the promise to the chosen customer in one sentence, and then ask about each P:

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does it keep this promise, and does it agree with the other six? The usual problem is a clash, such as promotion that offers a quick return to work while the process makes the patient wait. A useful test is to ask a new customer to describe us in one sentence after the first visit; if it differs from our promise, some P speaks louder than we intended.

Example: A budget airline promises low fares and a plain trip. Its price, its simple aircraft, its online-only booking and its basic uniforms all agree. Passengers who book online for a low fare do not expect a lounge, a hot meal or a long queue at a desk. Each of the seven Ps tells the same story, so the seven agree.

At work: Hind writes the promise: a physiotherapist who respects the schedule of a busy employee. Then she tests each P. Promotion matches the promise, but process does not. She lists four changes: online booking at any hour, a reminder by message the day before, a short welcome call from the clinic, and a clear sign with a seating plan at reception. She also asks the therapists, who are the people element, to introduce themselves by name and to explain the first session in two minutes.

4. Checking the Mix

A mix is a hypothesis, so it needs a measure. For each change we choose one result to watch, such as missed appointments, repeat bookings or complaints, and we compare before and after in the same places. Common mistakes are changing everything at once, so that nobody knows what worked, and treating the Ps as a list of what the company wants to say instead of what the customer needs. Another mistake is forgetting that competitors also move, so the mix must be reviewed every season.

Example: A retailer adds free delivery, which belongs to place and price, and measures the size of the shopping basket for one month before deciding to keep it. It compares the same stores with and without the offer, and it also records the cost of the vans. Measuring first is cheaper than correcting a large mistake later.

At work: Hind introduces the changes in three clinics first. After one quarter, missed first sessions fall from about one patient in four to about one in ten in those clinics, and patients mention the welcome call in their feedback. She then extends the plan to all her clinics and leaves the four Ps unchanged, because they were never the problem. These figures are an invented illustration.

Conclusion

The marketing mix turns a vague question about why customers are not buying into seven specific questions. The four Ps cover what we offer, what it costs, where it is found and how it is announced. The three added Ps cover the people, the steps and the surroundings that decide whether a service feels trustworthy. They work only when they agree with each other and with the customer we chose. As with any framework, the examples here are illustrations, so facts should be checked before they are applied to a real business. A quick check uses three questions: who is the customer, what is the promise to this customer, and which of the seven Ps is weakest when the customer first meets us? If one is hard to answer, start there.

Sources

- Marketing mix - Wikipedia (origins of the four Ps with McCarthy, Borden's term, the seven Ps for services by Booms and Bitner, Kotler's role) – https://en.wikipedia.org/wiki/Marketing_mix
- McCarthy, E. J. (1960), Basic Marketing: A Managerial Approach, Richard D. Irwin.
- Booms, B. H. and Bitner, M. J. (1981), Marketing Strategies and Organization Structures for Service Firms, in Donnelly and George (eds), Marketing of Services, American Marketing Association.
- The clinics, the figures and the coffee, bank, airline and retail illustrations are invented for teaching; they are not statistics.

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