

# **MARKETING MIX IN SERVICES PRODUCT**

## **MARKETING OF SERVICES**

**Ing. Veronika Braciníková, Ph.D.**



# THE CONCEPT OF MARKETING MIX

- The elements an organization controls that can be used to satisfy or communicate with customers.
- Firstly, the phrase „marketing mix“ was used by Neil H. Borden based on work of James Culliton.
- Borden´s concept of MM consists of 12 variables.



# THE CONCEPT OF MARKETING MIX

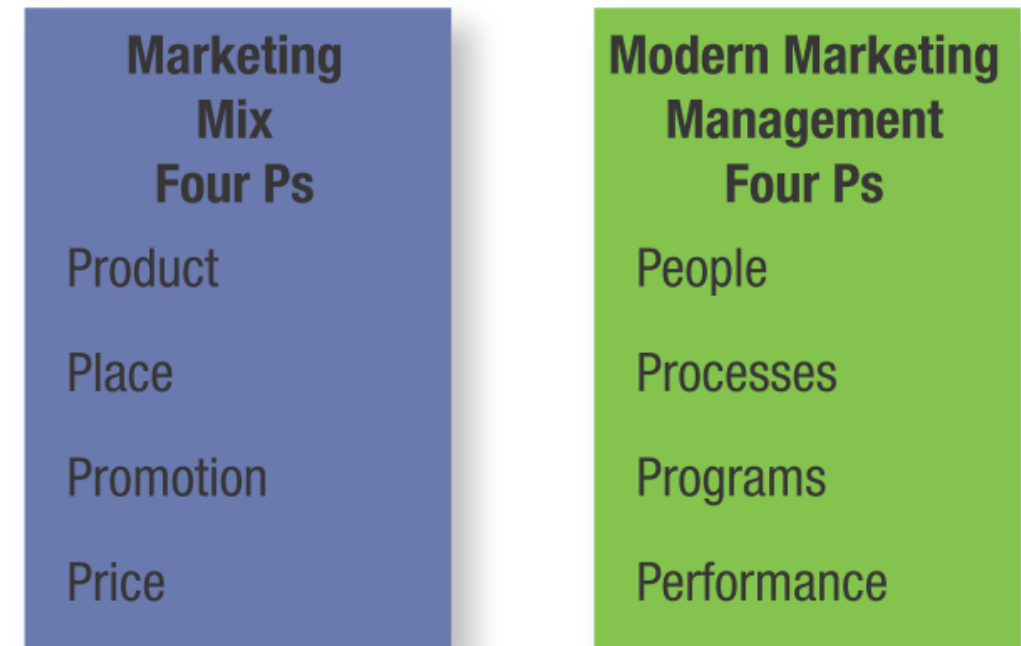
- McCarthy summed up these variables into 4Ps:
  - **P**roduct
  - **P**rice
  - **P**lace
  - **P**romotion
- The customer – the target of all marketing efforts.



# THE CONCEPT OF MARKETING MIX



Source: Kotler & Keller (2016)



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# THE CONCEPT OF MARKETING MIX OF SERVICES

- The reasons of developing the MM for services:
  - The traditional MM is more oriented to deal with goods marketing situations.
  - The traditional MM did not address the service manager's needs.
  - Differences in characteristics of physical products and services.
  - Inadequacy of conventional MM to address the service situations.
- The MM of Services:
  - Product, Price, Place, Promotion, People, Physical Evidence and Process.

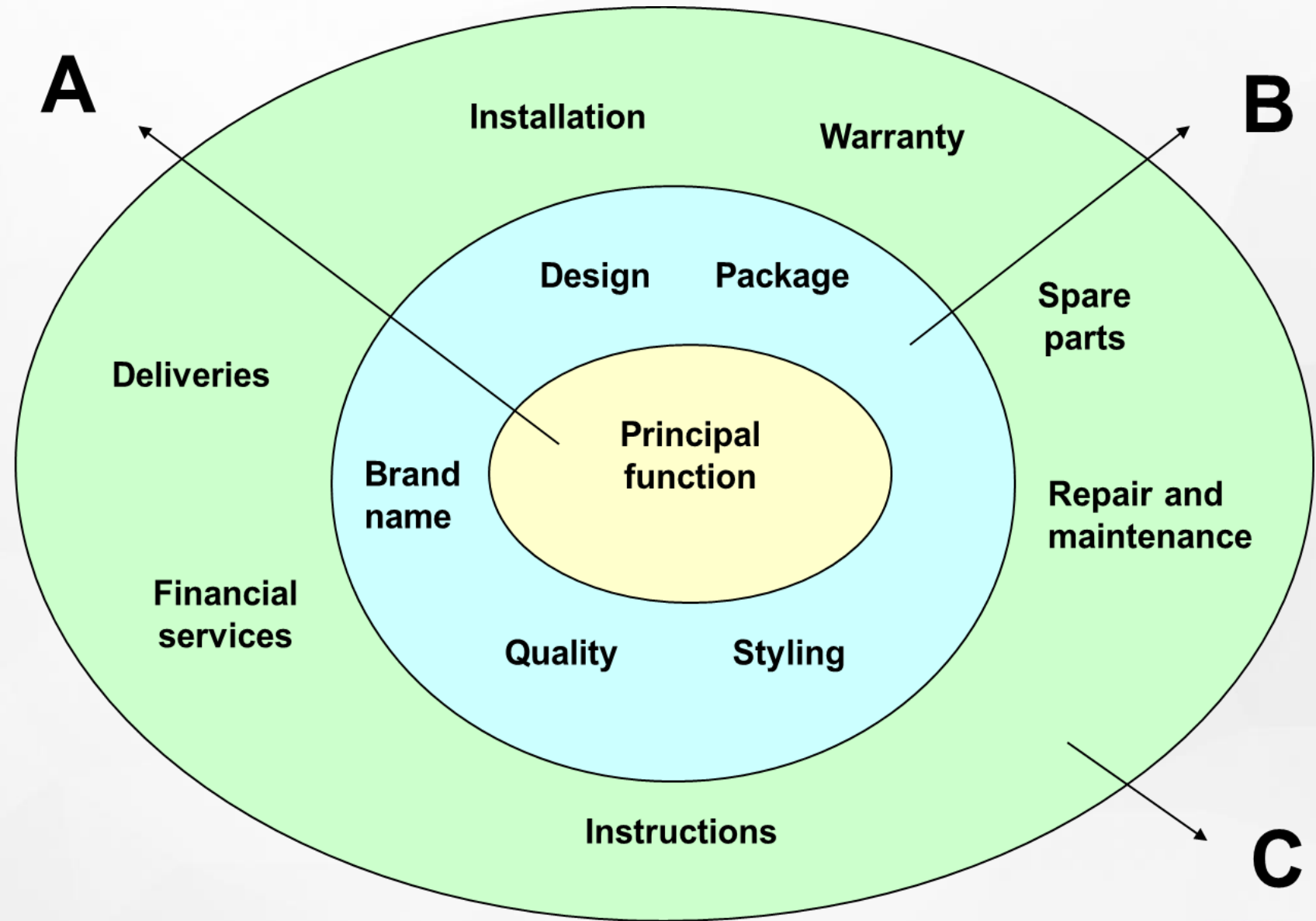


# THE PRODUCT

- Overall concept of objects or processes which provide some value to customer.
- The customers are not buying goods or services – they are really buying specific benefits and value.
- The success of marketing of services depends on existing of match between customer's view point and the supplier's view point.



- Core component (A)
- Packaging component (B)
- Support services component (C)



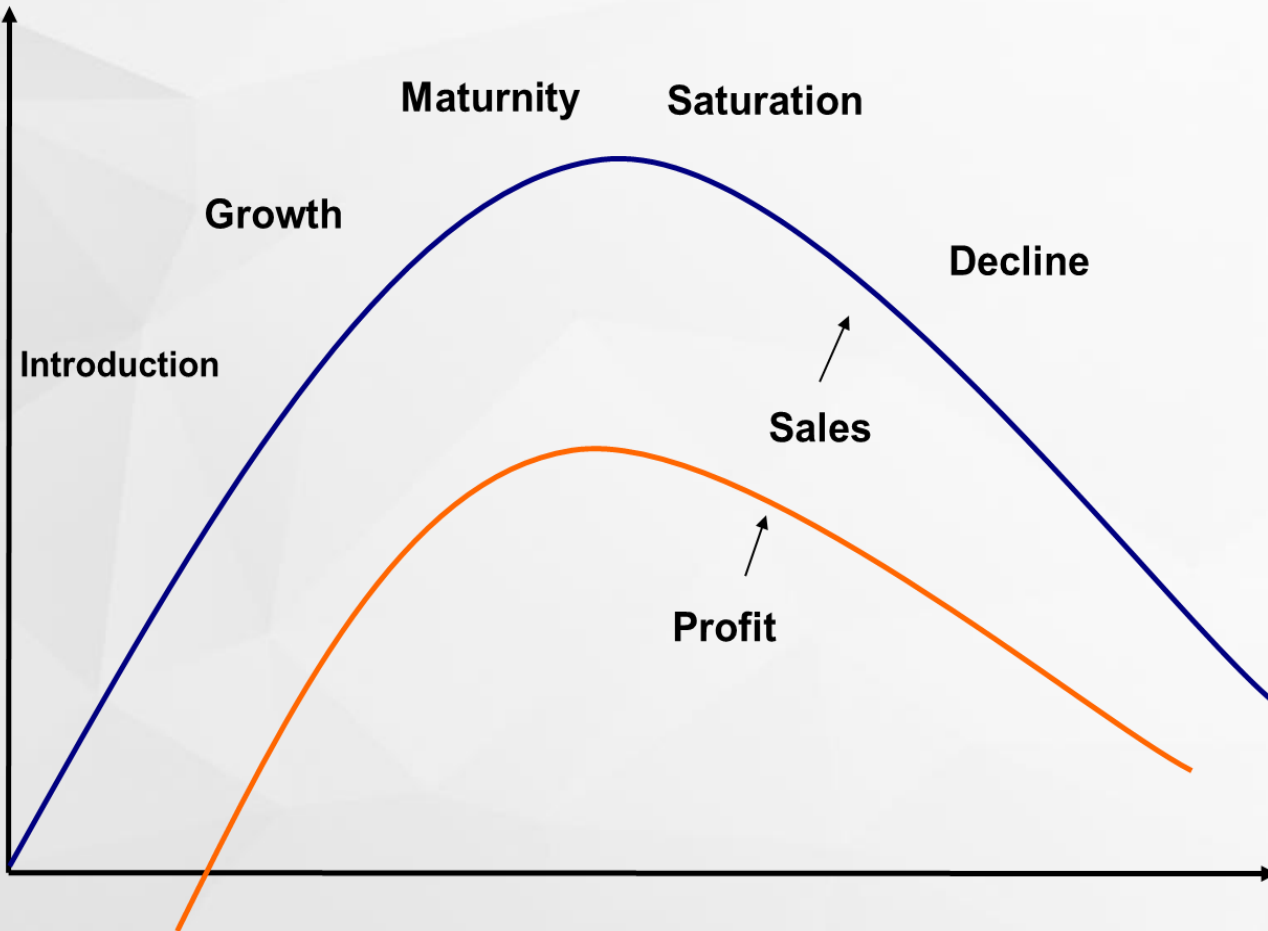
# THE WHOLE PRODUCT MODEL

- **Generic** product – Bank Account: the basic function
- **Expected** product – BA: credit card, internet banking
- **Augmented** product – BA: international banking free, ATM free, loan, discount card
- **Potential** product – BA: everything that is on the market and everything that is possible to offer





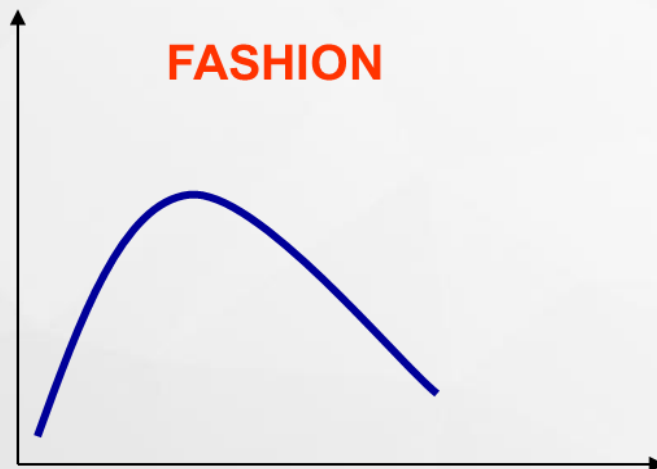
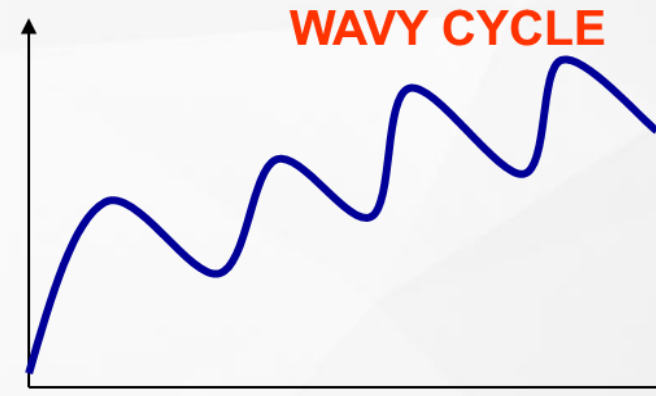
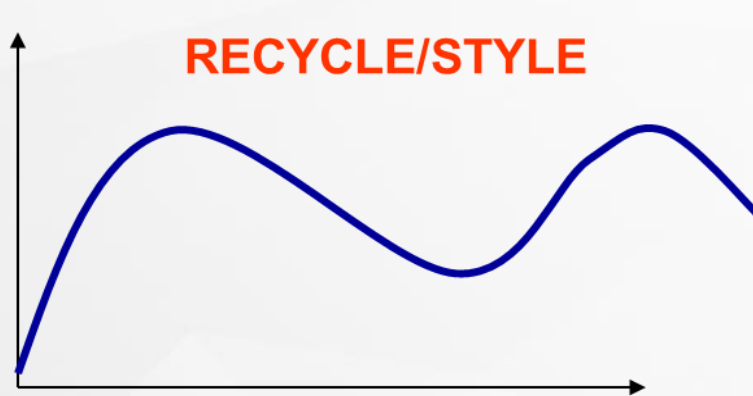
# PRODUCT LIFE CYCLE



- The time when the product is on the market.



# SPECIAL FORMS OF PRODUCT LIFE CYCLE



# DESCRIPTION OF LIFE CYCLE STAGES

|                        | <b>Introduction</b> | <b>Growth</b>            | <b>Maturity</b> | <b>Decline</b> |
|------------------------|---------------------|--------------------------|-----------------|----------------|
| <b>Sales</b>           | LOW                 | FAST GROWTH              | THE HIGHEST     | FALL           |
| <b>Profits</b>         | LOSS                | GROWTH                   | THE HIGHEST     | FALL           |
| <b>Customers</b>       | INNOVATORS          | EARLY ADOPTIVE CUSTOMERS | MAJORITY        | LATECOMERS     |
| <b>Competitors</b>     | LOW                 | GROWTH                   | MANY            | FALL           |
| <b><u>Strategy</u></b> | MARKET EXPANSION    | MARKET PENETRATION       | SHARE DEFENCE   | PRODUCTIVITY   |



# THE CUSTOMER BENEFIT CONCEPT

- Origin of products in their benefits.
- Over a period of time, the benefits sought may also change.
- Specific benefits which the service offers is defined by service concept.



# THE SERVICE OFFER

- In the case of centre for the performing arts, the service concept is to provide entertainment.
- Concerned with the specific elements that will be used to provide entertainment; drama, music, mime, dance.



# THE SERVICE FORMS

- With decision-making process about the form of the services many questions need to be answered.
- Refer to the various options relating to each service element – the manner in which they are combined gives shape to the service form.



# THE SERVICE DELIVERY SYSTEM

- In case of airlines – the aeroplane, pilot, crew members, airport, etc. – are the elements of delivery system.
- Tangible and intangible elements of the services are very important and influence their quality.



# THE SERVICE DELIVERY SYSTEM

- The visit to a bank on two occasions brings different experiences – no two customer experiences are identical.
- Service levels should be set in accordance with the desired customer satisfaction.





# THE SUBSTITUTES AND THE COMPLEMENTS

- Perfect substitutes.
- General substitutes.
- Perfect complements.
- General complements.



# THE PRODUCT BRANDING

- Process of adding value to the product.
  - No-Name product
  - National Brand
  - Private (Store) Brand



# THE BRAND ATTRIBUTES

- Brand name – part of brand which can be pronounced
- Logo, symbol – visual part of brand
- Colour
- Style of sign



# THE BRAND NAME

- It should catch customer's attention.
- It should be memorable.
- It should create good association.
- It should communicate something about the product.
- It should have good graphics processing.
- It should be pronounced easily in many foreign languages.
- It should be dateless.



# THE CONSUMER'S SYMBOLS

- Graphical symbols which are put on package or directly on the product.
- They mention the selected parameters of goods or the way how to use them.
- Consumer's symbols are obligatory in some types of goods.



# THE PRODUCT STANDARDIZATION X ADAPTATION

- Standardization – „world product“.
- Adaptation – completely new products for particular countries.



**THANK YOU  
FOR YOUR ATTENTION😊**

