



## A Study on Marketing Mix and Environment

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### Abstract:

*This study explores the interplay between marketing mix elements and the broader marketing environment. By examining how factors such as product, price, place, and promotion interact with external influences like economic conditions, technological advancements, and consumer behavior, the research aims to offer insights into optimizing marketing strategies. The paper employs a mixed-method approach, combining qualitative and quantitative analyses to assess the impact of environmental variables on marketing mix decisions. The findings underscore the importance of aligning marketing strategies with dynamic environmental factors to achieve competitive advantage and drive business success.*

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**Keywords:** *Marketing mix, marketing environment, economic conditions, technological advancements, consumer behavior, strategic adaptation.*

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### 1. Introduction

The marketing mix, comprising product, price, place, and promotion, is a fundamental framework for developing effective marketing strategies. However, the effectiveness of these strategies is not determined in isolation; it is significantly influenced by the marketing environment. The marketing environment encompasses a range of external factors, including economic conditions, technological advancements, social trends, and competitive pressures. Understanding how these environmental variables impact each element of the marketing mix is crucial for businesses seeking to adapt and thrive in a rapidly changing market landscape. This study aims to analyze the relationship between the marketing mix and its environmental context, offering a comprehensive view of how businesses can leverage environmental insights to refine their marketing strategies and achieve sustained growth.

### 2. Marketing Mix –An Overview

Marketing is fundamentally a social and managerial activity where individuals and groups satisfy their needs and desires. To address these needs and wants, marketers utilize various strategies, such as the exchange of goods or services for money or other goods and services, along with communication tools. For instance, when a consumer feels hungry, the marketer offers food—along with potential services and ambiance in exchange for payment. This collection of strategies is referred to as the marketing mix. The marketing mix represents the assortment of tools that an organization deploys to achieve its marketing goals.

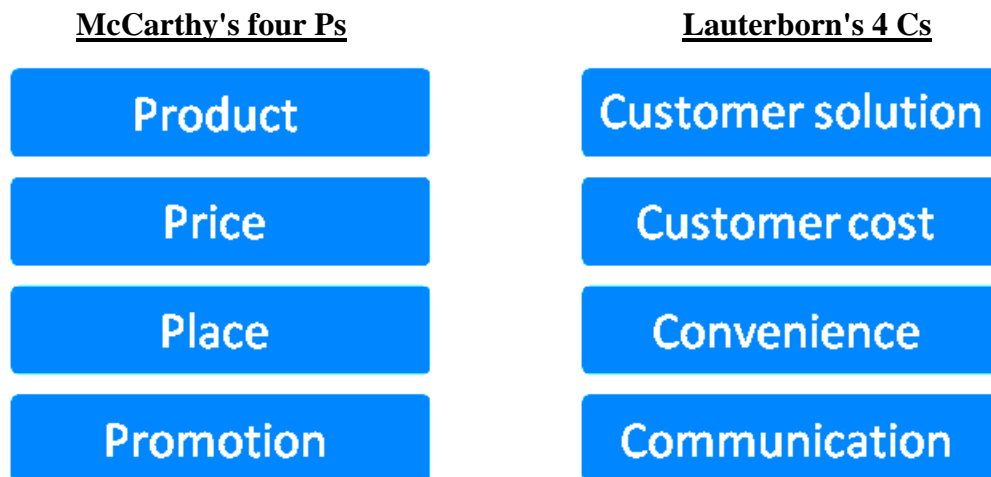
James Culliton likened the marketing manager to a chef mixing ingredients. In 1964, Neil Borden introduced the concept of the marketing mix in his article "The Concept of the Marketing Mix," where he detailed various aspects of the marketing mix. E. Jerome McCarthy, an American professor, later formalized these tools into what he called the "4 Ps" in his 1960 book *Basic Marketing: A Managerial Approach*. McCarthy's 4 Ps are:

- Product

- Price
- Place
- Promotion

In 1990, Bob Lauterborn re-examined these 4 Ps from the consumer's perspective, proposing that the seller's 4 Ps align with the customer's 4 Cs. Lauterborn's 4 Cs are:

- Product – Customer Solution
- Price – Customer Cost
- Place – Convenience
- Promotion – Communication



**Figure 1: illustrates Lauterborn's 4 Cs in relation to McCarthy's 4 Ps**

But, till today in marketing classes world over, 4 Ps are known as marketing mix for marketing of goods and they are being taught. Let us study them.

Each of the four tools are described in detail as follows.

**1. Product:** A product can be held as anything that can satisfy a need or want and has a market value. There are a number of product decisions that a marketer has to take as given below.

- a. Product variety
- b. Quality
- c. Design
- d. Brand name
- e. Features
- f. Sizes
- g. Services
- h. Warranties
- i. Returns.
- j. Packaging, etc.

Each decision may include several sub decisions. For example, a brand name decision may include an umbrella brand name or individual brand name such as every product from Apple has apple brand name and the same brand logo while products from Hindustan Unilever Limited has different names for each brand like Lux, Liril, Hamam, etc. It also includes single brand name or dual brand name. Every product from Microsoft has either Microsoft word or M. S. Word is written before the individual brand name. The brand decisions include many other decisions too.

**2. Price:** Price is the exchange value of the product. Price decisions include.

- a. List price

- b. Discounts
- c. Payment period
- d. Allowances
- e. Credit terms, etc.

As discussed in the product decisions, here also, each decision includes sub decisions.

**3. Place:** A Place decision can be said as decisions for channels through which products reaches to consumers. Place decisions include

- a. Channels
- b. Coverage
- c. Locations
- d. Transport
- e. Inventory
- f. Physical distribution, etc.

As mentioned earlier, here also, each decision includes sub decisions.

**4. Promotion:** Promotion is communication to customer favouring product, organization or related things. Promotion decisions include.

- a. Sales promotion
- b. Advertising
- c. public relations
- d. Publicity
- e. Sales force
- f. Network marketing
- g. Direct marketing, etc.

Here too, each decision includes sub decisions.

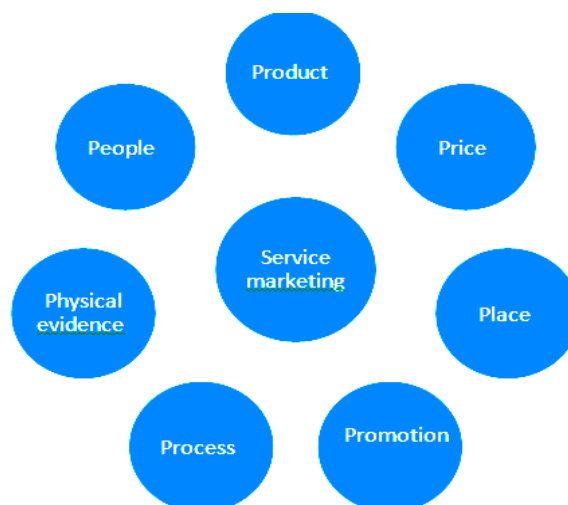
The above tools are for marketing of goods. Service marketing is a bit different from this. Service marketing, according to American Marketing Association, can be seen as an organisational function and a set of processes for identifying or creating, communicating, and delivering value to customers and for managing customer relationship in a way that benefit the organisation and stake-holders.

For service marketing, there are more three Ps in addition to the above given four Ps. They are:

**5. process**

**6. physical evidence, and**

**7. people**



**Figure 2 shows 7 Ps of service marketing**

The additional 3 Ps of service marketing are explained here.

1. People: Services are inseparable from its provider. The service providers form the people of service marketing mix.
2. Physical evidence: There is an environment or place needed for providing the service. The services are provided with many physical elements. The tangible elements that facilitate the performance of the service are known as physical evidence.
3. Process: The process element includes the whole service delivery. In the service marketing, the end product only is not the goal or achievement for any consumer. It is the process. For example, how a consumer gets the food product is also important with the food product itself.

There are many Ps developed after abovementioned Ps. They are relatively new and cannot establish their importance as the above-mentioned Ps. They are pace, politics, power, performance etc. However, the basics include four Ps for goods marketing and in addition to that, three more Ps for service marketing.

### 3. Marketing Environment–Macro and Micro Components and their Influence on Marketing Decisions

#### 3.1 Marketing Environment

The marketing environment encompasses all individuals, institutions, factors, and forces that affect the ability of marketing management to establish and sustain effective relationships with target customers. It also plays a crucial role in facilitating successful transactions between businesses and their clients.

The marketing environment consists of external elements to the marketing management function, which are largely beyond its control, yet significantly impact marketing decision-making. These elements are dynamic and can either constrain or shape marketing strategies. The significance of understanding the marketing environment has intensified due to the accelerated pace of environmental changes and the emergence of various influential factors. Economic conditions, for example, have always been central to marketing management, influencing core business activities. To stay informed about new environmental factors, businesses must engage in environmental scanning. This process involves studying and interpreting political, economic, social, and technological trends and events that impact a business, industry, or entire market. Environmental scanning comprises several activities: monitoring, forecasting, and assessing. Monitoring involves observing current environmental factors and their effects. Forecasting entails predicting future environmental trends and their potential impact. Assessment involves analyzing these trends to understand their implications for marketing strategies. One of the popular ways of scanning the macro environment includes PESTLE analysis. The PESTLE analysis includes Political, Economic, Social, Technological, Environmental and Legal factors to be analyzed. The figure 4 indicates the influences of various macro environment factors (PESTLE) on marketing decisions.

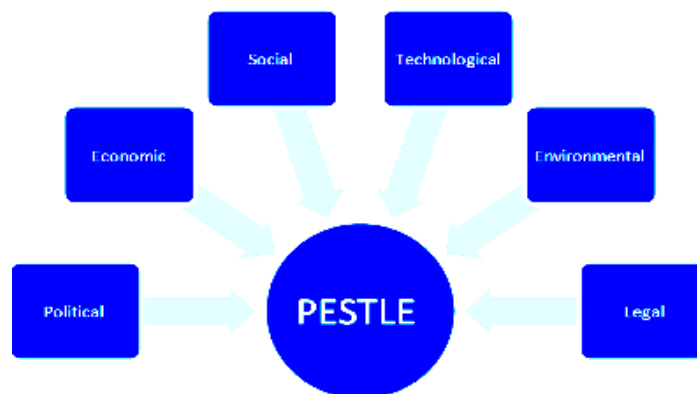


Figure 4. PESTLE analysis

#### 4. PESTLE analysis

- **Political Factors:** Political factors pertain to the extent and manner in which government actions influence the economy. These factors encompass areas such as labour laws, tax regulations, environmental legislation, trade policies, tariffs, and overall political stability. Additionally, political factors determine the provision of merit goods (beneficial to society) and demerit goods (detrimental to society). Political factors impact marketing strategies by affecting the entire product-price-profit-production cycle, as these elements depend on the regulatory environment, legal constraints, and political stability.
- **Economic Factors:** Economic factors include elements such as economic growth rates, interest rates, exchange rates, and inflation. These factors play a crucial role in marketing processes because fluctuations in these economic indicators affect pricing, product development, and overall market dynamics. Economic conditions can have both direct and indirect long-term effects on companies by influencing consumer purchasing power and altering demand and supply patterns within the economy.
- **Social Factors:** Social factors cover the social and cultural dimensions affecting the market. These include demographic characteristics, social norms, cultural values, and population trends such as growth rates, age distribution, and income levels. Social factors also encompass career attitudes, safety priorities, health awareness, lifestyle preferences, and cultural barriers. For marketers, understanding these factors is essential for attracting and retaining customers and effectively managing a local workforce in sales and marketing roles.
- **Technological Factors:** Technological factors involve changes in technology, the pace of technological advancement, research and development (R&D) activities, automation, computerization, and technological innovation. Technology often plays a crucial role in determining the success or failure of marketing strategies. It drives innovation, enables cost reductions, enhances quality, and influences outsourcing decisions. Technological factors also impact strategic decisions, such as entering new markets, forecasting future business and marketing trends, assessing market competition, and upgrading customer experiences.
- **Environmental or Ecological Factors:** Environmental factors include elements such as climate, weather conditions, and environmental sustainability. These factors significantly affect industries such as agriculture, tourism, and insurance. For instance, climate conditions are vital for farming, particularly in regions like India. Growing concerns about climate change have led companies to adopt practices related to corporate social responsibility, sustainability, and green initiatives. Additionally, global environmental agreements, such as carbon credits, can influence international marketing strategies.
- **Legal Factors:** Legal factors encompass various laws and regulations, including the Companies Act 1956, the Contract Act 1872, the Negotiable Instruments Act 1881, the Monopolies and Restrictive Trade Practices Act 1969, the Competition Act 2002, the Essential Commodities Act 1955, and the Environment (Protection) Act 1986, among others. While legal aspects overlap with political factors, the implementation and enforcement of these laws are crucial for shaping marketing practices and strategies.
- **Ethical Factors:** Recently, the PESTEL analysis framework has been expanded to include an additional "E" for Ethical factors, resulting in the PESTELE analysis, also known as STEEPLE analysis. Ethical factors address moral and ethical issues that may arise in business operations. This includes considerations related to fair trade, anti-slavery laws, child labor, and corporate social responsibility (CSR). CSR encompasses activities where businesses contribute to societal goals through volunteering, philanthropy, and other forms of activism or charitable work.

#### 5. Conclusion

In conclusion, the study of the marketing mix and the broader marketing environment underscores their integral role in shaping successful marketing strategies. The marketing mix, consisting of the 4

Ps—Product, Price, Place, and Promotion—serves as a foundational framework for businesses to effectively meet customer needs and achieve their marketing objectives. Each component of the marketing mix must be carefully crafted and aligned with the company's overall strategic goals to ensure a cohesive and compelling market presence.

Equally important is understanding the marketing environment, which encompasses both macro and micro factors influencing marketing decisions. The macro environment includes political, economic, social, technological, environmental, and legal factors (PESTEL), each contributing to the dynamic context within which businesses operate. Political factors affect regulatory compliance and market conditions, while economic factors influence consumer purchasing power and market demand. Social factors shape consumer behaviour and preferences, and technological advancements drive innovation and competitive advantage. Environmental concerns, including climate change and sustainability, are increasingly important for corporate responsibility and market positioning. Legal factors ensure adherence to regulations and protect intellectual property.

The microenvironment, on the other hand, involves factors directly related to the business, such as suppliers, customers, competitors, and market intermediaries. These elements impact day-to-day operations and strategic decisions, requiring constant monitoring and adaptation.

Overall, a thorough understanding and analysis of both the marketing mix and the marketing environment enable businesses to navigate complexities, seize opportunities, and address challenges effectively. By leveraging insights into these areas, organizations can develop targeted strategies that enhance their competitive edge, foster customer relationships, and drive sustainable growth in a rapidly evolving market landscape.

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