The marketing mix

As mentioned earlier, every marketing strategy is composed of the same four components: price, product, place and promotion. Successful marketing depends on a skilful balance of these components and all firms aim at creating synergy through the combined strengths of all four. Synergy exists when the overall effect of several elements is greater than the sum of the effect of the elements taken separately. The components of the marketing mix are called 'controllable variables'.

Product

The product is the centrepiece of any enterprise. This statement becomes particularly meaningful in the cultural sector, in which the product constitutes the starting point of any marketing activity. We use the term 'product' in its broadest sense to mean a tangible good, a service, a cause or an idea. 'Product' is associated with any result of the creative act – for example, a performance, an exhibition, a record, a book or a television programme.

We define a product as 'The set of benefits as they are perceived by the consumer'. A product may be described by its technical dimension or symbolic value, yet, in the end, what the consumer buys is a set of benefits, real or imaginary. Consumers agree to invest money and effort in obtaining the product according to the importance of their needs and the resources available to them.

The complexity of a product may vary greatly according to the specific features of the product, the consumer's characteristics or the consumer's perception of the product. Some products are considered more complex because their technical specifications require substantial personal effort on the part of the consumer just to be familiar with their features. Most cultural products, however, may be defined as complex, especially when works produced require specific knowledge or rely on abstract notions that require the consumer's ability to appreciate such concepts. Complexity becomes even greater when the consumer is unfamiliar with a particular type of product.

The cultural or artistic sector does, nonetheless, include less complex products, such as work drawing on stereotypes known to most people or using very concrete concepts. These products are often labelled 'popular'.

To be consistent with their missions, most cultural companies must constantly launch new products without being able to pre-test them. The development and launching of a new product always involves a certain amount of risk for the producer – 'risk' in the sense that the possibility of not satisfying the consumer or not meeting marketing objectives or corporate financial goals is ever-present. Moreover, once launched, a lot of cultural product can no longer be changed. A museum, for instance, launching a new exhibit must sell the product as it is to the potential consumer. No artist or theme can be guaranteed success in advance. Of course, the newer the product, as is the case for modern art, the greater the risk, in terms both of appreciation and of financial loss for the producer. For a classic product that is well known by the public, the risk is still present, but lower.

Commercial success alone does not satisfy the corporate mission of many cultural enterprises, especially if they are product-oriented. In their case, the risk is both financial and artistic.

Price

Every product has a price, which is normally expressed as the monetary value attributed to that product. Price also includes the effort a consumer must expend in the act of buying the product, and the risk perceived by the consumer in buying one's product. But there is another important dimension to price, time; in the leisure sector, this is a commodity that can be very limited. Thus there is always a price to pay for a product, even when it is advertised as being free.

The time dimension of pricing may become a very important element of a marketing strategy. The market for performing arts, for example, is composed of two types of consumers, those who have the means but not the time to go out, and those who have the time, not the means; seats are thus priced differently to catch the differences in the willingness or capacity to pay. On the other hand, theatres offer enhanced benefits for those who cannot afford to commit themselves ahead of time; they sell flexible subscriptions where the patron can change his pre-paid ticket for a particular night to an alternative evening; of course, there is a premium to pay for this benefit (or privilege). For this kind of patron, money is not the problem; it is the busy life of an executive or of a professional that limits the time available for leisure.

Place

Place is composed of several elements. The main ones are physical distribution, distribution channels and commercial venue. First, the logistics of distributing the product, be it a theatrical tour or a book delivered from the publisher to the reading public, are considered. Then the focus shifts to the relationships and the various agents within a channel – in an artistic example, the network from artist to producer to broadcaster. Lastly, location is an important factor in the success or failure of companies selling directly to the consumer. The location of a bookshop, cinema, hall, museum or even a traditional business must be carefully selected.

Promotion

Promotion comes last in the first sequence of this definition of the marketing mix. In the pre-preparation stage of a promotional campaign, a company must know which product is offered at which price and where. It must know beforehand the main characteristics of the target consumers and, in particular, the most convincing selling arguments for those consumers.

Since the same consumers are targets of advertising, promotion and marketing campaigns, these three areas are often confused. They are inclusive, since promotion is made up of four distinct components: advertising, personal selling, sales promotions and public relations, and since marketing includes promotion.

Two influential elements

Two other elements must be considered in any marketing analysis: time and the specificity of the firm. All companies must work within a changing environment. Market conditions evolve over time, as do consumer needs and tastes. The variables of the macro-environment may be modified and the competition may adjust its strategies. An excellent marketing strategy may seem outdated after a few years, or even a few months.

Every organization has its own personality and acts as an individual entity. What may be an excellent marketing strategy for firm A may prove hopelessly inadequate for firm B. Neither their products nor their market shares are necessarily the same. Their corporate images may also vary. It would therefore be risky to try to transplant a strategy from one firm to another.

The company and its marketing management

Decisions on marketing strategies must always conform to the company's mission and objectives. These decisions must also take into account the organization's human, financial and technical resources.

Implementation of a marketing plan requires the skilful coordination of all parties involved and the participation of all corporate sectors. For example, the production, finance and personnel departments must be included to ensure that resources are available. A financial plan must be agreed before financial outlays are made. Personnel must be advised in case additional staff are needed. As soon as a strategy is set up, corporate executives must be kept up to date on the operation. Monitoring allows the company to compare results with objectives and, if need be, to adjust any discrepancies through corrective measures.

Conclusion

Although the various elements of the marketing model have been presented individually, they are interdependent. In fact, they form a whole in which one or a majority may influence the others.

Marketing managers must be well acquainted with the market and the variables likely to influence it. They must correctly determine consumers' needs, measure the level and development of the demand for a particular good, and divide the larger market into sub-markets or segments in order to take advantage of opportunities and gain a distinct advantage over the competition. They must also study the different variables within the macro-environment. Competition in any form may affect product sales. Demographics, culture, economics, laws and regulations, and technology constantly change the rules of the game. As a result, marketing professionals must use their information system wisely and know how to juggle the variables of the marketing mix.

See also:

Chapter 16: Corporate arts sponsorship; Chapter 46: Participation; Chapter 56: Taste formation.

References

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