The Concept of the Marketing Mix[1]

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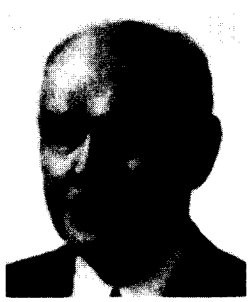
Marketing is still an art, and the marketing manager, as head chef, must creatively marshal all his marketing activities to advance the short and long term interests of his firm.

I HAVE always found it interesting to observe how an apt or colorful term may catch on, gain wide usage, and help to further understanding of a concept that has already been expressed in less appealing and communicative terms. Such has been true of the phrase "marketing mix," which I began to use in my teaching and writing some 15 years ago. In a relatively short time it has come to have wide usage. This note tells of the evolution of the marketing mix concept.



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The phrase was suggested to me by a paragraph in a research bulletin on the management of marketing costs, written by my associate, Professor James Culliton (1948). In this study of manufacturers' marketing costs he described the business executive as a

> "decider," an "artist"—a "mixer of ingredients," who sometimes follows a recipe prepared by others, sometimes prepares his own recipe as he goes along, sometimes adapts a recipe to the ingredients immediately available, and sometimes experiments with or invents ingredients no one else has tried.

I liked his idea of calling a marketing executive a "mixer of ingredients," one who is constantly engaged in fashioning creatively a mix of marketing procedures and policies in his efforts to produce a profitable enterprise.

For many years previous to Culliton's cost study the wide variations in the procedures and policies employed by managements of manufacturing firms in their marketing programs and the correspondingly wide variation in the costs of these marketing functions, which Culliton aptly ascribed to the

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varied "mixing of ingredients," had become increasingly evident as we had gathered marketing cases at the Harvard Business School. The marked differences in the patterns or formulae of the marketing programs not only were evident through facts disclosed in case histories, but also were reflected clearly in the figures of a cost study of food manufacturers made by the Harvard Bureau of Business Research in 1929. The primary objective of this study was to determine common figures of expenses for various marketing functions among food manufacturing companies, similar to the common cost figures which had been determined in previous years for various kinds of retail and wholesale businesses. In this manufacturer's study we were unable, however, with the data gathered to determine common expense figures that had much significance as standards by which to guide management, such as had been possible in the studies of retail and wholesale trades, where the methods of operation tended toward uniformity. Instead, among food manufacturers the ratios of sales devoted to the various functions of marketing such as advertising, personal selling, packaging, and so on, were found to be widely divergent, no matter how we grouped our respondents. Each respondent gave data that tended to uniqueness.

Culliton's study of marketing costs in 1947-48 was a second effort to find out, among other objectives, whether a bigger sample and a more careful classification of companies would produce evidence of operating uniformities that would give helpful common expense figures. But the result was the same as in our early study: there was wide diversity in cost ratios among any classifications of firms which were set up, and no common figures were found that had much value. This was true whether companies were grouped according to similarity in product lines, amount of sales, territorial extent of operations, or other bases of classification.

Relatively early in my study of advertising, it had become evident that understanding of advertising usage by manufacturers in any case had to come from an analysis of advertising's place as one element in the total marketing program of the firm. I came to realize that it is essential always to ask: what overall marketing strategy has been or might be employed to bring about a profitable operation in light of the circumstances faced by the management? What combination of marketing procedures and policies has been or might be adopted to bring about desired behavior of trade and consumers at costs that will permit a profit? Specifically, how can advertising, personal selling, pricing, packaging, channels, warehousing, and the other elements of a marketing program be manipulated and fitted together in a way that will give a profitable operation? In short, I saw that every advertising management case called for a consideration of the strategy to be adopted for the total marketing program, with advertising recognized as only one element whose form and extent depended on its careful adjustment to the other parts of the program.

The soundness of this viewpoint was supported by case histories throughout my volume, *The Economic Effects of Advertising* (Borden, 1942). In the chapters devoted to the utilization of advertising by business, I had pointed out the innumerable combinations of marketing methods and policies that might be adopted by a manager in arriving at a marketing plan. For instance, in the area of branding, he might elect to adopt an individualized brand or a family brand. Or he might decide to sell his product unbranded or under private label. Any decision in the area of brand policy in turn has immediate implications that bear on his selection of channels of distribution, sales force methods, packaging, promotional procedure, and advertising. Throughout the volume the case materials cited show that the way in which any marketing function is designed and the burden placed upon the function are determined largely by the overall marketing strategy adopted by managements to meet the market conditions under which they operate. The forces met by different firms vary widely. Accordingly, the programs fashioned differ widely.

Regarding advertising, which was the function under focus in the economic effects volume, I said at one point:

> In all the above illustrative situations it should be recognized that advertising is not an operating method to be considered as something apart, as something whose profit value is to be judged alone. An able management does not ask, "Shall we use or not use advertising," without consideration of the product and of other management procedures to be employed. Rather the question is always one of finding a management formula giving advertising its due place in the combination of manufacturing methods, product form, pricing, promotion and selling methods, and distribution methods. As previously pointed out different formulae, i.e., different combinations of methods, may be profitably employed by competing manufacturers.

From the above it can be seen why Culliton's description of a marketing manager as a "mixer of ingredients" immediately appealed to me as an apt and easily understandable phrase, far better than my previous references to the marketing man as an empiricist seeking in any situation to devise a profitable "pattern" or "formula" of marketing operations from among the many procedures and policies that were open to him. If he was a "mixer of ingredients," what he designed was a "marketing mix."

It was logical to proceed from a realization of the existence of a variety of "marketing mixes" to the development of a concept that would comprehend not only this variety, but also the market forces that cause managements to produce a variety of mixes. It is the problems raised by these forces that lead marketing managers to exercise their wits in devising mixes or programs which they hope will give a profitable business operation.

To portray this broadened concept in a visual presentation requires merely:

1) a list of the important elements or ingredients that make up marketing programs;
2) a list of the forces that bear on the marketing operation of a firm and to which the marketing manager must adjust in his search for a mix or program that can be successful.

The list of elements of the marketing mix in such a visual presentation can be long or short, depending on how far one wishes to go in his classification and subclassification of the marketing procedures and policies with which marketing managements deal when devising marketing programs. The list of elements which I have employed in my teaching and consulting work covers the principal areas of marketing activities which call for management decisions as revealed by case histories. I realize others might build a different list. Mine is as follows:

Elements of the Marketing Mix of Manufacturers

1. *Product Planning*—policies and procedures relating to:
   a) Product lines to be offered—qualities, design, etc.
   b) Markets to sell: whom, where, when, and in what quantity.
   c) New product policy—research and development program.
2. *Pricing*—policies and procedures relating to:
   a) Price level to adopt.
   b) Specific prices to adopt (odd-even, etc.).
   c) Price policy, e.g., one-price or varying price, price maintenance, use of list prices, etc.
   d) Margins to adopt—for company; for the trade.
3. *Branding*—policies and procedures relating to:
   a) Selection of trade marks.
   b) Brand policy—individualized or family brand.
   c) Sale under private label or unbranded.
4. *Channels of Distribution*—policies and procedures relating to:
   a) Channels to use between plant and consumer.
   b) Degree of selectivity among wholesalers and retailers.
   c) Efforts to gain cooperation of the trade.
5. *Personal Selling*—policies and procedures relating to:
   a) Burden to be placed on personal selling and the methods to be employed in:
      1. Manufacturer's organization.
      2. Wholesale segment of the trade.
      3. Retail segment of the trade.
6. *Advertising*—policies and procedures relating to:
   a) Amount to spend—i.e., the burden to be placed on advertising.
   b) Copy platform to adopt:
      1. Product image desired.
      2. Corporate image desired.
   c) Mix of advertising: to the trade; through the trade; to consumers.
7. *Promotions*—policies and procedures relating to:
   a) Burden to place on special selling plans or devices directed at or through the trade.
   b) Form of these devices for consumer promotions, for trade promotions.
8. *Packaging*—policies and procedures relating to:
   a) Formulation of package and label.
9. *Display*—policies and procedures relating to:
   a) Burden to be put on display to help effect sale.
   b) Methods to adopt to secure display.
10. *Servicing*—policies and procedures relating to:
    a) Providing service needed.
11. *Physical Handling*—policies and procedures relating to:
    a) Warehousing.
    b) Transportation.
    c) Inventories.
12. *Fact Finding and Analysis*—policies and procedures relating to:
    a) Securing, analysis, and use of facts in marketing operations.

Also if one were to make a list of all the forces which managements weigh at one time or another when formulating their marketing mixes, it would be very long indeed, for the behavior of individuals and groups in all spheres of life have a bearing, first, on what goods and services are produced and consumed, and, second, on the procedures that may be employed in bringing about exchange of these goods and services. However, the important forces which bear on marketers, all arising from the behavior of individuals or groups, may readily be listed under four heads, namely the behavior of consumers, the trade, competitors, and government.

The outline below contains these four behavioral forces with notations of some of the important behavioral determinants within each force. These must be studied and understood by the marketer, if his marketing mix is to be successful. The great quest of marketing management is to understand the behavior of humans in response to the stimuli to which they are subjected. The skillful marketer is one who is a perceptive and practical psychologist and sociologist, who has keen insight into individual and group behavior, who can foresee changes in behavior that develop in a dynamic world, who has creative ability for building well-knit programs because he has the capacity to visualize the probable response of consumers, trade, and competitors to his moves. His skill in forecasting response to his marketing moves should well be supplemented by a further skill in devising and using tests and measurements to check consumer or trade response to his program or parts thereof, for no marketer has so much prescience that he can proceed without empirical check.

Below, then, is the suggested outline of forces which govern the mixing of marketing elements. This list and that of the elements taken together provide a visual presentation of the concept of the marketing mix.

Market Forces Bearing on the Marketing Mix

1. *Consumers' Buying Behavior,* as determined by their:
   a) Motivation in purchasing.
   b) Buying habits.
   c) Living habits.
   d) Environment (present and future, as revealed by trends, for environment influences consumers' attitudes toward products and their use of them).
   e) Buying power.
   f) Number (i.e., how many).
2. *The Trade's Behavior*—wholesalers' and retailers' behavior, as influenced by:
   a) Their motivations.
   b) Their structure, practices, and attitudes.
   c) Trends in structure and procedures that portend change.
3. *Competitors' Position and Behavior,* as influenced by:
   a) Industry structure and the firm's relation thereto.
      1. Size and strength of competitors.
      2. Number of competitors and degree of industry concentration.
      3. Indirect competition—i.e., from other products.
   b) Relation of supply to demand—oversupply or undersupply.
   c) Product choices offered consumers by the industry —i.e., quality, price, service.
   d) Degree to which competitors compete on price vs. nonprice bases.
   e) Competitors' motivations and attitudes—their likely response to the actions of other firms.
   f) Trends technological and social, portending change in supply and demand.
4. *Governmental Behavior—Controls over Marketing:*
   a) Regulations over products.
   b) Regulations over pricing.
   c) Regulations over competitive practices.
   d) Regulations over advertising and promotion.

When building a marketing program to fit the needs of his firm, the marketing manager has to weigh the behavioral forces and then juggle marketing elements in his mix with a keen eye on the resources with which he has to work. His firm is but one small organism in a large universe of complex forces. His firm is only a part of an industry that is competing with many other industries. What does the firm have in terms of money, product line, organization, and reputation with which to work? The manager must devise a mix of procedures that fit these resources. If his firm is small, he must judge the response of consumers, trade, and competition in light of his position and resources and the influence that he can exert in the market. He must look for special opportunities in product or method of operation. The small firm cannot employ the procedures of the big firm. Though he may sell the same kind of product as the big firm, his marketing strategy is likely to be widely different in many respects. Innumerable instances of this fact might be cited. For example, in the industrial goods field, small firms often seek to build sales on a limited and highly specialized line, whereas industry leaders seek patronage for full lines. Small firms often elect to go in for regional sales rather than attempt the national distribution practiced by larger companies. Again, the company of limited resources often elects to limit its production and sales to products whose potential is too small to attract the big fellows. Still again, companies with small resources in the cosmetic field not infrequently have set up introductory marketing programs employing aggressive personal selling and a "push" strategy with distribution limited to leading department stores. Their initially small advertising funds have been directed through these selected retail outlets, with the offering of the products and their story told over the signatures of the stores. The strategy has been to borrow kudos for their products from the leading stores' reputations and to gain a gradual radiation of distribution to smaller stores in all types of channels, such as often comes from the trade's follow-the-leader behavior. Only after resources have grown from mounting sales has a dense retail distribution been aggressively sought and a shift made to place the selling burden more and more on company-signed advertising.

The above strategy was employed for Toni products and Stoppette deodorant in their early marketing stages when the resources of their producers were limited (cf. case of Jules Montenier, Inc. in Borden and Marshall, 1959, pp. 498-518). In contrast, cosmetic manufacturers with large resources have generally followed a "pull" strategy for the introduction of new products, relying on heavy campaigns of advertising in a rapid succession of area introductions to induce a hoped-for, complete retail coverage from the start (cf. case of Bristol-Myers Company in Borden and Marshall, 1959, pp. 519-533). These introductory campaigns have been undertaken only after careful programs of product development and test marketing have given assurance that product and selling plans had high promise of success.

Many additional instances of the varying strategy employed by small versus large enterprises might be cited. But those given serve to illustrate the point that managements must fashion their mixes to fit their resources. Their objectives must be realistic.

Long vs. Short Term Aspects of Marketing Mix

The marketing mix of a firm in large part is the product of the evolution that comes from day-to-day marketing. At any time the mix represents the program that a management has evolved to meet the problems with which it is constantly faced in an ever changing, ever challenging market. There are continuous tactical maneuvers: a new product, aggressive promotion, or price change initiated by a competitor must be considered and met; the failure of the trade to provide adequate market coverage or display must be remedied; a faltering sales force must be reorganized and stimulated; a decline in sales share must be diagnosed and remedied; an advertising approach that has lost effectiveness must be replaced; a general business decline must be countered. All such problems call for a management's maintaining effective channels of information relative to its own operations and to the day-to-day behavior of consumers, competitors, and the trade. Thus, we may observe that short range forces play a large part in the fashioning of the mix to be used at any time and in determining the allocation of expenditures among the various functional accounts of the operating statement.

But the overall strategy employed in a marketing mix is the product of longer range plans and procedures dictated in part by past empiricism and in part, if the management is a good one, by management foresight as to what needs to be done to keep the firm successful in a changing world. As the world has become more and more dynamic, blessed is that corporation which has managers who have foresight, who can study trends of all kinds—natural, economic, social, and technological—and, guided by these, devise long-range plans that give promise of keeping their corporations afloat and successful in the turbulent sea of market change. Accordingly, when we think of the marketing mix, we need to give particular heed today to devising a mix based on long-range planning that promises to fit the world of five or ten or more years hence. Provision for effective long-range planning in corporate organization and procedure has become more and more recognized as the earmark of good management in a world that has become increasingly subject to rapid change.

To cite an instance among American marketing organizations which has shown foresight in adjusting the marketing mix to meet social and economic change, I look upon Sears Roebuck and Company as an outstanding example. After building an unusually successful mail order business to meet the needs of a rural America, Sears management foresaw the need to depart from its marketing pattern as a mail order company catering primarily to farmers. The trend from a rural to an urban United States was going on apace. The automobile and good roads promised to make town and city stores increasingly available to those who continued to be farmers. Relatively early, Sears launched a chain of stores across the land, each easily accessible by highway to both farmer and city resident, and with adequate parking space for customers. In time there followed the remarkable telephone and mail order plan directed at urban residents to make buying easy for Americans when congested city streets and highways made shopping increasingly distasteful. Similarly, in the areas of planning products which would meet the desires of consumers in a fast changing world, of shaping its servicing to meet the needs of a wide variety of mechanical products, of pricing procedures to meet the challenging competition that came with the advent of discount retailers, the Sears organization has shown a foresight, adaptability, and creative ability worthy of emulation. The amazing growth and profitability of the company attest to the foresight and skill of its management. Its history shows the wisdom of careful attention to market forces and their impending change in devising marketing mixes that may assure growth.

Use of the Marketing Mix Concept

Like many concepts, the marketing mix concept seems relatively simple, once it has been expressed. I know that before they were ever tagged with the nomenclature of "concept," the ideas involved were widely understood among marketers as a result of the growing knowledge about marketing and marketing procedures that came during the preceding half century. But I have found for myself that once the ideas were reduced to a formal statement with an accompanying visual presentation, the concept of the mix has proved a helpful devise in teaching, in business problem solving, and, generally, as an aid to thinking about marketing. First of all, it is helpful in giving an answer to the question often raised as to "what is marketing?" A chart which shows the elements of the mix and the forces that bear on the mix helps to bring understanding of what marketing is. It helps to explain why in our dynamic world the thinking of management in all its functional areas must be oriented to the market.

In recent years I have kept an abbreviated chart showing the elements and the forces of the marketing mix in front of my classes at all times. In case discussion it has proved a handy device by which to raise queries as to whether the student has recognized the implications of any recommendation he might have made in the areas of the several elements of the mix. Or, referring to the forces, we can question whether all the pertinent market forces have been given due consideration. Continual reference to the mix chart leads me to feel that the students' understanding of "what marketing is" is strengthened. The constant presence and use of the chart leaves a deeper understanding that marketing is the devising of programs that successfully meet the forces of the market.

In problem solving the marketing mix chart is a constant reminder of:

1) The fact that a problem seemingly lying in one segment of the mix must be deliberated with constant thought regarding the effect of any change in that sector on the other areas of marketing operations. The necessity of integration in marketing thinking is ever present.
2) The need of careful study of the market forces as they might bear on problems in hand.

In short, the mix chart provides an ever ready checklist as to areas into which to guide thinking when considering marketing questions or dealing with marketing problems.

Marketing: Science or Art?

The quest for a "science of marketing" is hard upon us. If science is in part a systematic formulation and arrangement of facts in a way to help understanding, then the concept of the marketing mix may possibly be considered a small contribution in the search for a science of marketing. If we think of a marketing science as involving the observation and classification of facts and the establishment of verifiable laws that can be used by the marketer as a guide to action with assurance that predicted results will ensue, then we cannot be said to have gotten far toward establishing a science. The concept of the mix lays out the areas in which facts should be assembled, these to serve as a guide to management judgment in building marketing mixes. In the last few decades American marketers have made substantial progress in adopting the scientific method in assembling facts. They have sharpened the tools of fact finding—both those arising within the business and those external to it. Aided by these facts and by the skills developed through careful observation and experience, marketers are better fitted to practice the art of designing marketing mixes than would be the case had not the techniques of gathering facts been advanced as they have been in recent decades. Moreover, marketers have made progress in the use of the scientific method in designing tests whereby the results from mixes or parts of mixes can be measured. Thereby marketers have been learning how to subject the hypotheses of their mix artists to empirical check.

With continued improvement in the search for and the recording of facts pertinent to marketing, with further application of the controlled experiment, and with an extension and careful recording of case histories, we may hope for a gradual formulation of clearly defined and helpful marketing laws. Until then, and even then, marketing and the building of marketing mixes will largely lie in the realm of art.

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