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## **IMPORTANCE OF MARKETING MIX IN SUCCESSFUL POSITIONING OF PRODUCTS AND SERVICES ON THE MARKET**

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### ***Abstract***

*Marketing managers who had the opportunity to create product or services know how important it is that every part of the marketing mix is used equally in creating and selling a successful product to consumers. It was Edmund McCarthy who first described the marketing manager as “the one that mixes ingredients“ of successful marketing strategy. 4P (product, price, promotion, placement) can also be described as a puzzle that symbolizes a successful product, and a puzzle can only be completed if all parts are present. Product implies everything that can be offered to the market in order to satisfy a want or a need. Price represents an amount of money consumer is ready to pay for a specific product or a service. Promotion is every form of communication with consumers: advertising, trade marketing, public relations, direct sales and direct marketing. Placement refers to the channels through which product is offered to consumers; retail, wholesale, specialized shops, the way the product is positioned in stores, etc. Through this article, every part of marketing mix is viewed from a theoretical point of view, and also how it is done in practice.*

**Keywords: marketing mix, 4P, placement, product, service**

## **1. INTRODUCTION**

The purpose of this article is to interpret the very essence of marketing which is marketing mix or 4P. Marketing managers that had a chance to work on developing the products know how important it is for all parts, elements of

marketing mix to be equally represented in placement strategy and selling of the products to final consumers.

Four Ps (product, price, promotion, and placement) can best be described as pieces of a puzzle that symbolize successful product or service. If one piece is missing the puzzle is not complete, that is, product never reaches its full potential. Throughout the article each element of marketing mix will be dealt with in detail and its importance in developing successful product will be shown by using the theoretical knowledge of respectable marketing experts but also longtime work of the author of the article in the field of marketing within food industry.

## 2. **MARKETING MIX**

Term marketing mix or four Ps has been used since 1960s when it was used by Edmund Jerome McCarthy, respectable marketing professor from Michigan and Notre Dame University (McCarthy, 1994). However the term itself was first coined by Neil Borden in his speech on the occasion of his acceptance as president of American Marketing association. That term was precisely the formulation of the idea that the function of marketing manager is to “mix the ingredients”. Sometimes he (or she) just follows the recipe of others, sometimes he follows his own recipe, sometimes he improvises with ingredients that he has at his disposal and sometimes he uses ingredients that no one has heard about before and presents them to the public for the first time (Culliton, 2008).

The primary definition of marketing mix covered bigger number of elements: defining the price, branding, advertising, packaging, providing the service, physical management of the product, data analysis (Borden, 1964). Simplified definition of marketing mix consists of, as previously mentioned (McCarthy, 1994):

- product
- price
- promotion
- place.

All of the four elements are important for particular product or service to achieve success and each is equally unique. What is meant under unique is that each product requires unique approach. Some may ask why that is. Simply it is because each and every consumer is unique.

Product will be successful only if it satisfies all the needs of consumers, if their trust is gained and if it attracts consumer to buy it and continue buying it through the means of its quality, price and communication (message). After decade of work in marketing, the author of this article can without a doubt say that marketing mix is of unquestionable importance for successful development and placement of products and services.

Marketing mix is crucial for defining the optimal marketing strategy of the company. If this strategy on how the product will be presented to the market doesn't exist it is quite possible that consumers won't even hear about the product, let alone use it. In the ocean of products and services that consumers are exposed to each day it is important to be different, to have some kind of "wow factor" so that consumers reach for precisely that particular product among many similar xy products.

When looking from the global position it is needed for marketing mix to be adopted to markets where products are planned to be launched, placed, and in that case especially it is important for the company itself to have clear vision of what it wants to achieve and to have control over expenses that can become really high.

Out of 4Ps author of this article feels that promotion has experienced the greatest growth, more precisely the way the communication with the consumers is managed and particularly with the emergence of social networks and influence of online advertising to which some successful companies turn to putting the classic channels like television and printed media in second place.

But, to start from the beginning, from the very foundation of marketing which is 4P is necessary to making final conclusion about acceptance of marketing mix concept in prevailing circumstances on the market.

## **2.1. Product as element of MMIX**

According to the standard definition a product is anything that can be offered to satisfy needs and wants (Kotler, 1991). From this definition easily a conclusion can be made that developing and placing the product on the market is an easy task when in fact there is no harder task than developing the product that will satisfy all the needs of the consumer, but also there is no greater pleasure when a good and successful product is developed. Developing a successful product is time-consuming, sometimes even arduous process that final consumers are unaware of.

Product can be physical object, service or idea. Without clearly defined product it is not possible to successfully carry out marketing strategy. The question is how to make a good product that consumer wants. The answer lies in finding the target market that is interested in the product that the company offers.

Process of launching the product described in short from the personal experience of the author goes in a following way:

- idea
- research of the market/competition
- calculating the expenses of production
- defining the selling price of the product

- deciding on the launch of the product on the market
- production
- positioning, presenting the product on the market
- promotion of/investment in the product
- sale results.

Each and every product starts as an idea. In most of the companies idea emerges from the marketing department. Whole product life-cycle is a well-coordinated cooperation between marketing department and sales department but also production department and procurement department and so on. Idea can be fantastic but without all of the mentioned departments the product will not be successful. After the company decides and defines what product it wants to have in its assortment, next step is to invest in market research in terms of size and potential of the market. If the potential exists, company moves into investigating if the product can be produced and how, how much it would cost to produce it and would it be profitable. When all the aforementioned steps and criteria are carried out turn is on developing the design of the product, selecting/defining the desirable retail price, target market share, marketing campaign – in short the marketing strategy is defined. From the beginning till the end, however, what is most important is to always have the consumer in mind, because the whole process itself begins because of the consumer. After all consumers, as Greenberg (2010) nicely puts, “sit at the hub, rather than just being a spoke in the corporate wheel.” (p. 38).

The consumer is the purpose for every company’s operation and company doesn’t here do the consumer a favour by serving him, on the contrary, the consumer does company a favour by providing it opportunity to offer its products or services (Kotler, 2001). Thus, it is crucial for companies to listen to its consumers - what they say and think about not just the products they offer but also about the companies’ people, services, vision etc. - and this is the first step towards understanding of the consumers (Unruh, J. A., 1996).

What is necessary is for company also to offer a product that will not just satisfy consumers’ needs and wants but also that will be differentiated from competitors. Differentiation can be achieved through price, quality, design, positioning on the selling place, TV campaign, print campaign, advertising on public places (billboard). Every company has one goal – create great and profitable product but above else gain the loyalty of the consumers. Task of a marketing manager is thus to communicate, explain to the consumer the advantages of company’s product(s) (Burns, 2012).

Of course, when speaking about product there exists also a product mix which consists of: a) consistency, which is how closely related products are; b) width, which spells out to how many different categories or product lines there is, c) line length, which refers to the total number of items in the mix, and d) depth, which pertains to how many variants of each product the company offers. Moreover, it is worth noting that the product can be classified in general as

services, durable or capital intensive product and nondurable or fast-moving consuming goods, and that it consists of five levels which are: core benefit, which is the core level and just spells out to sole purpose of the product, basic product, expected product, augmented product and potential product (Kotler P., Keller L. K., 2016).

## 2.2. Price as element of MMIX

The price represents the amount of money that consumer spends for one unit of product on the market (Meler, 2005). This definition can be expanded with the statement that the price is the amount of money that consumer is willing to spend for a certain product or to exchange appropriate value. It is the only element of marketing mix that generates profit. The other three elements are expenses or, better to say - investments. Precisely because of that the well-set, "right", price along with the quality of the product makes up the most important precondition for the success of the product.

Pricing policy is very complex since it is not just the question of setting the price for one product but also for the whole assortment of products that company can offer, or for example different packaging of the same product and/or how much each packaging will cost per kilogram. Price of the product or service must be set adequately low in order to achieve sales results and adequately high to cover the expenses of developing, producing and distribution (Daniels, 2011). In addition, it is worth noting that right price positioning allows company short-term profit but also the resources that are needed for achieving the long-term competitiveness.

It can be said that the price of the product is determined by the consumer's perception of how much that product in question is worth (Clinger, 2015). High price of the product generally illustrates its higher quality in comparison to other products with similar characteristics but of average price. Price of the product will be lower thus if the product falls under lower rank of products according to predefined criteria of quality. Company must have knowledge of break-even point for its product(s) which means it must know at what point the product starts to generate profit. Defining the break-even point is also significant in order to know what the minimum price the product must have is. When aforementioned criteria are achieved then pricing policy or pricing strategy at launching the product on the market is to be decided.

It is important to set the price goals, more precisely price strategy the company will use for particular product (Previšić J. Ozretić Došen Đ., 1999):

a) Penetration pricing – pricing policy where prices are lower than competitors' and which is used for conquering the new market. If company is entering the market as a challenger then most commonly the lowest retail price below market leader is set since this is the way that will make it most possible for consumer to (be willing to) try the product. This strategy is often used when

products or categories of products for which great budgets cannot be spared are placed on the market. The thing is that it is not always possible to support product via advertising (TV, print media, online advertising) but the greatest tool is exactly the retail price, then attractive design, good positioning on the shelves, additional promotion in the store itself. However, the consumer, who is the most important, must not be forgotten and underestimated. The consumer may and will try a product once but if the product doesn't contain any additional value that is important for him (quality, taste, packaging, easy usage, availability of the product) he/she will not buy again.

b) Premium pricing – setting high prices usually designed for luxury products where the ability for production is purposely or naturally limited (caviar, luxury automobile, high-priced purses etc.). Through limited supply created is the effect of consumption in a sense that the need is induced for owning something that majority of average consumers can't afford. The mass market and great sales are not the goals here, but just the opposite – lower supply, lower sales but that bring profit due to high prices.

c) Preserving the existing market share – used when the main goal of a company is to preserve the existing market share and correction of pricing policy in regards to that. In this position are the companies that have fierce and very active competition such as in milk industry. Great number of producers with very wide offer of packaging and sizes of the products is fighting for each consumer by the way of prices. Every consumer is significant and 1% of increase or decrease is very important. No matter if it is luxury products or essential groceries like milk, it is needed for pricing policy for each product in assortment of the company to be defined. That also means setting clear goals as to what the product should achieve on the market and how to capture market share, will the product be sold at discount prices from time to time or exclusively at regular price, where the product will be sold (whether only at big formats of stores/shops and/or small convenience shops or only at specialized shops/boutiques in limited quantities). All of these are challenges that the company must define before the product is launched on the market. Well-defined pricing strategy is the foundation for successful product since it is also the additional tool for the consumer – who is motivated by “fair”/“good” price to try the product in the first place – to become regular customer as well.

d) Market-skimming pricing – pricing policy where prices start high and are then slowly drop over time. This pricing policy is used when, as Kotler and Keller (2016) acknowledge:

- 1) a sufficient number of buyers have high current demand,
- 2) the unit costs of producing the small volume are not so high that they cancel the advantage of charging what the traffic will bear,
- 3) the high initial price does not attract more competitors to the market
- 4) the high initial price communicates the image of a superior product (p. 201).

There is also something to be said from the perspective of consumer psychology and how consumers perceive prices and that is that there are three concepts, factors to have in mind as well when setting the right price and these are: reference prices, price-quality inferences and price endings. Reference prices refers to how consumers compare prices of the products with internal reference price they remember or external reference price such as “regular retail price”, price-quality inferences refers simply to how consumers tend to associate quality with price in a sense that lower prices represent lower quality of the products and vice-versa, and price endings refers to how consumers perceive (unconsciously) products whose price is just below the rounded figure as much cheaper, that is they consider them to be in lower price range (e.g. 39kn would be perceived as being in the price range of 30kn instead of 40kn) (Kotler P., Keller L. K., 2016).

### **2.3. Promotion as element of MMIX**

Successful product means nothing if it is not communicated to the consumer. Promotion covers any kind of communication with the target market regardless if the communication is conducted by the producer or by retail chain. It purports all from advertising and promotion to activities on social networks.

However, what is the most important is how the product will be presented to the market. Advantages of the product that are communicated clearly and successfully can induce the consumer to buy the product, even if otherwise he/she wouldn't usually buy this product.

For successful marketing strategy it is necessary to know what, to whom, when and why to communicate. Good communication with the consumers is a must for every company and it is what distinguishes really successful companies from other averagely good companies. Communication with the consumers is what consumers remember well and appreciate (or not), the messages that they receive from products and services remain deep in their consciousness and have decisive effect in the loyalty to the brand itself. In short, a company can have the greatest product in the world, but it won't mean nothing if its advantages are not communicated well to the target market. Classically promotional mix, or communicational mix as it is also called, consists of five forms of communication: advertising, sales promotion, public relations, personal selling and direct marketing. Author of this article would also like to add internet marketing as sixth element of promotional/communicational mix as well as indispensable social networks as seventh element or form since it has particularly significant role in disseminating information to the consumers.

These elements, however, can all go under the “umbrella” term of online and social media marketing which then constitute a much wider set of activities, and added to all these mentioned elements can be mobile marketing and events and experiences (Kotler P., Keller L. K., 2016).

Advertising in general is paid form of promotion and its purpose is to present the product or service to the general public with the goal of achieving communication and economic results (Kotler, 2001.)

Second definition that is worth noting is that advertising purports impersonal, paid form of communication directed to the general public with the goal of informing, creating positive perception and motivating the consumption (Kesić, 2003). A company can advertise its product(s) or service(s) through: television, print media, internet and social networks.

Advertising can be considered as any form of impersonal communication that uses mass media (Nizam, 2014). However, the most important is to accentuate that the purpose of advertising is to get positive feedback from consumers and that in addition to all communication channels there also exists one that is completely free, independent and extremely influential and that is word-of-mouth (WOM).

Often as consumers we are not even aware that in our consumption behaviour, what we will buy and what we will not buy, we are influenced greatly by the opinions which we heard or read, especially if they come from those who have our trust. Companies need to have in mind that negative opinion/situation is shared among consumers thrice as fast as positive opinion/situation (Nizam, 2014). Consumers' trust towards companies and/or producers is very fragile and demands significant investment in communication from a producer's side.

When speaking about what influences our consumption behaviour, there are many factors involved apart from the sources we trust and whose opinion matter to us such as: family members, members of our reference groups, our brand community or consumer tribe, opinion leaders, wide-known experts or even celebrity persons we aspire to. These other factors can be: our own biological features, that is conditions (nervous and endocrine system, physique, physiologic processes etc.), our consciousness, psychological conditions, society we live in and its related culture, our education, our occupation and related income, and so and so forth. All these factors companies must bear in mind (Solomon M. R., 2015)

But, returning to the promotion, promotion in the bigger companies in Croatia in the most cases is done in cooperation with media buying agencies. Agency for certain cost does the media buying, that is directly arranges with television, newspapers, radio stations and companies that sell advertising space the exact time periods when TV commercial/radio commercial/print advert of certain company will go.

Communication towards these agencies within the company goes from marketing department. In that case, brand manager delivers brief (instructions) to the media buying agency with necessary information. Brief contains: product description, to whom it is intended, length of TV commercial, marketing budget, period in which advertising will run and which media will be used (TV,



newspapers/magazines, internet, billboards). In addition, there are certain periods in the day when advertising on television is more expensive or cheaper – prime time (8 till 10 pm) when most of the people watch television is logically the most expensive.

In advertising in print media it is important whether company puts, arranges advert over the whole page, half the page, one quarter, eights, whether the advert demands special format or perhaps two pages together or, for example, inside of the title page or the last page which are most expensive. All of these are information that the company must pass to the agency so the agency could make detailed advertising plan which in practice is called media plan. Media plan - if the budget allows it - will contain radio advertising, web (internet) advertising and advertising on billboards in trams, buses, tram stations etc.

All of the assignments are given through brief, having in mind available financial resources, and the agency need to integrate this in media plan where each piece of the puzzle in the end makes the whole picture. Good relation between the agency and the company is crucial for quality advertisement. One additional, ever more important, form of advertising is also advertising at the selling place. Retail chains for certain financial compensation sell areas of the store where companies can advertise its products or in the weekly catalogues that are very popular in Croatia.

Sales promotion represents all that induces consumers to buy the products and all that can classify as advertising, personal selling, publicity, public relations, in short all the activities at the selling place that influence on the sales of the products. Every company, however, doesn't have its own department of sales promotion because although it significantly helps the selling of the product(s) it is also significant source of cost for the company.

Sales promoters are in practice in charge of helping the products sell as much as possible. The example would be that each year there are negotiations between companies that sell their merchandise and retail chains that offer this merchandise to the final consumer. Negotiations include number of points but one of the most important ones are positioning of the products on the shelves which basically means how many meters of shelves will each producer/company get, will the position be in the eyes line, on the first or on the last shelf. Mentioned positions are defined which in practice is called planograms and the job of sales promotors is to check which positions and the way of order on the selling place match that what was defined by planogram. Also, they take care if the promotional material for the selling place is set as it was agreed, meaning they take care about visual appearance of the shelf and whether the set/agreed-upon marketing activities are conducted.

The primary function of public relations is creating the positive image of the company and developing long-term relationships with the consumer. The art of managing public relations rests not only in creating the positive publicity in media but also in the successful dealing with the negative publicity. Public

relations represent range of programs created for promoting or preserving the image of the company or one of its products (Kotler, 2001)

In recent times the definition has been modernized and it states that public relations is a strategic communicational process that creates mutually beneficial relations between the organization/company and its stakeholders (Prsa, 2012). Often in everyday life, especially in media like television we can hear terms like positive or negative PR, but what does that exactly mean?

Example of positive PR for the company can be company raising funds for numerous good causes like donations to various associations, for restoring children playgrounds and similar. Example of the negative PR, on the other hand, would be experience of unsatisfied consumers being broadcasted by the media which can directly damage the business of the company. Every company or organization has business relations with the group of people that influence all that company/organization does or says - consumers, employees, shareholders, competitors, suppliers. All these groups make public, and the purpose of public relations is just this, having good communication with the public. Because of the huge impact of the public opinion companies must be aware at any moment what consequences can their actions trigger. Good public relations are continuous process that shape long-term relations and have important role in integrated communication.

Under promotion usually understood are activities at the selling place with the aim of short-term increase of sales. In practice this is called promotion at the selling place which consists of tastings/try-outs of the products, related shopping where with the purchase of one product consumers get 30% for the next purchase or with the purchase of one product consumers get reward in the form of promotional material (mugs, hats, pencils etc.)

Personal selling represents mutual communication which in the past was often neglected. Today it is still used, however not for all the products and services. The reason why is that personal selling can have opposite effect of what the company wanted to achieve, for instance when something is being offered to consumers via our homes (door-to-door selling), like what cable television companies that use this practice, potential consumers can perceive that as coercion and can create a negative image of the product that is being offered but also the company itself that practices this, especially since the whole impression rests on how the seller himself/herself looks.

Direct marketing can be defined as interactive system that uses one or more media to influence the measurable response and/or transaction at any location (Sudar J, Keller G, 1991). The purpose of direct marketing is to establish relations with the consumers in order to develop measurable responses. One of the most valuable tools of direct marketing is data pools about consumers. Today these data pools are created from the data of loyalty card consumers. Almost all retail chains today have their loyalty cards where each purchase brings certain amount of points on that card and reaching xy points realizes possibility of

discount in later purchases. The purpose of these cards is to offer discounts to its holders but also store knowledge of, give insight into their purchases for the retailer. One additional and very popular form of direct marketing in Croatia is catalogues of retail chains that are delivered to almost every post box. Direct marketing is often conducted in large systems where messages about new products or services are sent to the e-mail addresses of all employees.

Internet marketing or also named e-marketing, web marketing, online marketing, and digital marketing is the, among else, advertising of products and services via Internet. Digital marketing has completely changed the way how companies become visually recognizable and credible in the perception of the consumers. It allowed availability of certain product or opinion about the product in a matter of second. Consumers have all the information about companies, whether they are good or bad, at hand reach. For instance, via Google over 30 billion of searches monthly are made ([www.google.hr](http://www.google.hr)).

For radio to reach 50 million potential consumers/users, to illustrate, 38 years was needed, for television to reach that number 13 years was necessary while Facebook managed to achieve this feat in only 2 years ([www.wikipedia.com](http://www.wikipedia.com)). New internet communication platforms are made almost on daily basis.

Perhaps this was best illustrated in the statement of Ray Kurtzweil, one of the directors in Google, where he acknowledged that in the last 5 years Internet has changed more than in its 25 years of existence (Monaghan, 2013).

Tracking the development of trends is very demanding task and is one of crucial factors of a successful internet campaign. Internet advertising has certain advantages in comparison to traditional methods, and some of them are: lower cost of advertising, possibility of easier reaching of target market segment and easily measured return on investment. Advertiser can monitor all relevant statistics about its visitors to the internet page and buyers of particular product or service on a daily basis. At any time it is known whether certain investment is cost-effective and it is possible to recall the campaign that doesn't bring satisfactory return. Internet campaign is also possible to launch in only a couple of hours and the results are visible almost immediately. Thus, it is not a surprise then that the share of internet advertising is rapidly increasing and that in Great Britain, for example, it surpassed TV advertising (Monaghan, 2014.).

Social network is internet space that serves for interconnection of users. Today there is large number of social networks but most well-known are Facebook and Twitter. New social networks are arising offering new possibilities as well. These networks, among their primary goal which is communication, also have the role in terms of marketing and promoting other web-pages and various other services.

Adding to the facts, also it is important to note the huge influence that social networks can have on the company's business practice. In Croatia almost

every company has its Facebook page on which new material is published on a daily basis, such as: notifications about new products, new TV campaign, prize competitions or simply questions asking consumers to state their favourite product the company offers. Technology has advanced so much that it was never easier to communicate with the consumers, but also in some regards never harder. Media like social networks allow consumers to communicate directly with the companies which can be both a good and a bad thing. On social networks information spreads as quickly as fire, especially the negative ones. It is astonishing how much positive publicity is needed to gain the consumers' trust and favour, and how little negative publicity is needed for the same to vanish. Internet giants like Apple, Google and Facebook have completely changed the way consumers communicate and gather information, forever.

Finally, events and experiences as an element of a communicational mix represent simply as Kotler and Keller (2016) state "company-sponsored activities and programs designed to create brand-related interactions with consumers, including sports, arts, entertainment and cause events as well as less formal activities, while mobile marketing constitutes "special form of online marketing that places communications on consumer's cell phones, smart phones or tablets" (p. 247).

#### **2.4. Place as element of MMIX**

Place purports to the way in which a company offers its service or product to the final consumer. In distribution channels, placement of the products or services is an extremely important element of the marketing mix. Why, some may ask. Simply because it is necessary to know which spot (place), which locations – physical or virtual – are adequate for a company's products or services in order for them to be successful. When speaking about physical placement then a company must consider in which types of stores will they want their products to place, whether that will be retail chain and if yes what will be the size of its stores (will it be supermarkets or hypermarkets), or the product will be offered through specialized channels like gas stations. It is possible for a company to offer its products in all types of channels from supermarkets to specialized channels. Of course, the position(ing) of the product in the stores also mustn't be forgotten and must be defined as it is also an important factor for the success of the product. For different parts of assortment distribution strategy can be different depending on whether the whole assortment will be accessible on the national level or perhaps regional. Not all products will be equally successful in all parts of the country since the consumption habits are not the same. Thus, a company must bear exactly this in mind when defining, setting the distribution strategy. With the evolution of internet and on-line shopping ever-growing number of companies, whether small or big, are deciding to have its web-shop due to less-costly and easier doing of business, however it is also important to know to whom the products are intended because limiting itself to only web also means limiting

itself to the number of potential consumers of the products or service that can be reached.

Distribution in term of sale activity can be direct or indirect. Direct distribution means distribution from producer to consumer. This form of distribution allows total control over the product(s). Indirect distribution, on the other hand, means that there is a mediator (middleman) between the producer and the consumer in the form of retail chain and, if the company doesn't have its own distribution then also a middleman that fulfils this role of distributing the products to the retail chain. There are four types of retailers according Kotler and Keller (2016): 1) self-service, 2) self-selection, 3) limited service and 4) full service.

The growth of online shopping of course creates new distribution channels but also new challenges for the companies that sell their products on the global level. Internet shopping allows fast, easy and reliable ways of distribution. Many companies over the world use Internet in order to expend their business but that also brings certain challenges and problems, such as seen in the case of Facebook which is forbidden in China. No matter the possible obstacles it is almost certain that with further development of Internet the technology will grow as well as will the supply of distribution channels.

In general, related to distribution, there are four marketing channels: 1) zero-level or direct marketing channel where there is no middlemen between the manufacturer and the consumer, 2) one-level channel where just one retailer serves as middlemen or selling intermediary, 3) two-level channel, where between the retailer and the producer we also have another intermediary in the form of a wholesaler and 4) three-level channel which consists of yet another intermediary which is the jobber, in-between the wholesaler and the retailer (Kotler P., Keller L. K., 2016).

### **3. CONCLUSION**

One of well-known definitions of marketing mix that preceded the definition given by Edmund McCarthy lies in the statement of Niel Borden where he described a marketing manager as one who "mixes ingredients". Marketing mix is crucial for defining, setting the optimal marketing strategy of the company and its product(s) as well. McCarthy has, in addition, defined marketing mix as 4P: product, price, promotion, and place.

Under product it is considered all that can be offered to the market in order to satisfy certain need or want. In practice, the development of successful product is arduous work, sometimes more, sometimes less successful, but there is no greater sense of the achievement and pleasure for the company when the product it has worked hard on finds its way to the hearts of the consumers and the market in general.

Price represents the amount of money the consumer is willing to pay for certain product or service. Setting optimal price policy and positioning related to the price is crucial in developing the strategy for successful product. There are several pricing policies or strategies that can be used when launching the product on the market: penetration pricing, price skimming, premium pricing and preserving the existing market share.

Promotion is any form of communication with the consumer and it consists of: advertising, sales promotion, public relation, personal selling and direct marketing. Here it is important to look back on the growth of the Internet in last five years and on the impact of the social networks and how they changed the way how people communicate and receive information.

Place in sense of placement of the product in different distribution channels is also important part of the marketing mix. Before the product is offered to the market, it is necessary to define for whom it is intended, that is which are the channels through which the company wants to sell its product(s), such as retail chain or specialized stores, position on the shelves in the stores etc.

Regardless which marketing mix we are speaking of, it is necessary to remember that successful product is the one that practices all 4 Ps equally, meaning that the equal amount of importance is given to each element.

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# **VAŽNOST MARKETING MIKSA U USPJEŠNOM POZICIONIRANJU PROIZVODA I USLUGA NA TRŽIŠTU**

## **Sažetak**

*Marketinški menadžeri, koji imaju prigodu kreirati proizvod ili uslugu, znaju koliko je važno da se svaki dio marketing miksa jednako koristi u stvaranju i uspješnoj prodaji proizvoda kupcu. Edmund McCarthy prvi je opisao marketinškog menadžera kao onog koji „miješa sastojke“ uspješne marketinške strategije. 4P (product/proizvod, price/cijena, promotion/promocija, placement/plasman) strategija također se može opisati kao slagalica koja simbolizira uspješan proizvod, a slagalica je kompletirana tek kada su svi dijelovi na predviđenom mjestu. Proizvod predstavlja sve što se može ponuditi na tržištu u namjeri da se zadovolji želja ili potreba potrošača. Cijena predstavlja iznos novca koji je potrošač voljan izdvojiti za određeni proizvod ili uslugu. Promocija je svaki oblik komunikacije s potrošačima: oglašavanje, robne marke, odnosi s javnošću. Plasman se odnosi na prodajne kanale kojima se roba nudi potrošaču: maloprodaja, veleprodaja, specijalizirane trgovine, način na koji je proizvod pozicioniran u trgovini i drugo. U članku se svaki dio marketing miksa promatra s teorijskog aspekta i s aspekta njegove primjene u praksi.*

**Ključne riječi: marketing miks, 4P, plasman, proizvod, usluga.**

**JEL klasifikacija: M30, M31.**