

MARKETING MIX

Strategy is strategy, mix is tactics

The Marketing Mix was described as a principle and tool for work in the marketplace in 1967 (Carthy, Kotler). Since that time every, even the mediocre manager, learned to recite the words product – promotion – place – price in parrot fashion so the phenomenon of the mix almost became as famous as the SWOT analysis (this dating to the same period). Unfortunately this was also with equal efficiency. After several famous golden years of the mix and the period of product marketing (what was produced and put through the mix was sold well), a “crisis” arose after about 20 years of the mix and in practice was only preserved in the structure of marketing budgets in the form of divided columns for expenditure planning. Those managers, who started working in the Czech Republic in pharmaceutical marketing in the 1990s and later, literally failed to comprehend the meaning of the mix, because the P-mix had lost its value in the marketplace and became nothing more than a mnemotechnical toy and monotonous transcription in marketing plans.

In reaction to the loss of its lustre, Lauterborn published a new form in 1995 called the C-mix declaring that it has a better grasp of the essence of the work in the marketplaces since the 1990s. He was right. Although the C-mix did not become as famous as its predecessor, most marketers work in practice on the basis of its principles: Customer Wants, Communication, Convenience, Costs.

Another form of the C-mix was published in 2005 (Exner) stressing the system of Customer Values instead of Customer Wants on hypercompetitive markets. By enforcing the principles of Value Marketing and Behavioural Marketing in the economically developed world, higher and above all more constant competitive advantages can be achieved which you hardly appreciate in this text, but more in your company. Nevertheless, this is a more long-term and a somewhat more complex process than of satisfying the wants of often never satisfied customers.



There are a whole number of practical differences between the P-mix and C-mix and some of them are significant:

- 1) **P-mix can no longer be linked to marketing strategy today**, because its methodology has changed. If you create the right business strategy, P-mix makes no sense as a form of tactics.
- 2) **Customer Values**, on the contrary, supports the Blue Ocean type of strategy (with the knowledge of all its limitations). In practice, this means only one thing. The mix is not created for products, but for **customer segments (!!!)**, which completely changes its character, tools and scope of its application. This then means no brochures piling up or internet presentations which nobody visits and representatives who nobody wishes to see let alone listen to. Likewise, the market share does not stagnate. On the contrary, should you achieve optimal “saturation” in the Customer Values sphere, customers will forgive you for many other things and you will still be an outright market leader.
- 3) **Promotion** is a one-way flow of toxic information which nobody wants to hear about today because of its excess. The term **Communication in the C-mix** above all means mutual (two-way) and mainly desired exchange of information between the firm and the customer. It saves time and money, increases profitability and is not awkward.
- 4) **Convenience** is clearly more than a distribution (place) in the original P-mix and means suitability, adequacy and customer comfort in customer interaction. In many marketing models

it has several subtypes, such as in healthcare where it is distinguished by 5 types of convenience (access, time, stay, information, subsequent). So we cannot talk here about distribution of healthcare, but about its convenience.

- 5) **Costs** involve complex customer costs for acquiring services / products, not only a simple price as it is often misleading because it is zero, for example. The total costs strategy, including time costs (such as customer training systems), service and operation have changed many manager and customer decisions.
- 6) **Uni-channel**. An important principle which the C-mix should fulfil is the principle that everything which concerns the customer is really interconnected. Unlike one-channel (rep-doctor) and multi-channel (rep A-doctor A, rep B-doctor A, CR A-doctor A, Product Manager-doctor A,...) systems, the uni-channel system is integrated marketing. All on the subject of the customer is shared in the corporate memory. Synergies arise, duplicity and communication toxicity is removed, and money is saved. Is this utopia? You think this for a long time and gradually nothing is left of your market share.
- 7) **Marketing rationality is obvious: strategy – tactics (C-mix) - mix tools**. We mix as the strategy commands. The contents and scope of customer values (C1), communication (C2), convenience (C3) and costs (C4) is that marketing mix, i.e. a form of tactics for a certain marketplace or in its segments. Should someone consider the elements of the mix (e.g. communication mix) a strategy then such a person is a lost cause. The mix is a form of tactics, a realistic picture of strategy and not a strategy as such. There is a significant difference between this. If thousands of managers were not to confuse this in practice we would not have to write about it.
- 8) **C-mix tools** in the pharmaceutical industry are developing fast, news ones are appearing and generally have a shorter life cycle. It is possible to work with a marketing tool of the 1990s, but the end brings very average results. The P-mix never included such aspects as extranet applications when the customer communicates with the firm and not the firm with the customer or the virtual social community when the end drug consumers report their consumer behaviour in a certain category and the reasons for this. What generally applies is that good mixes enjoy the great co-participation of customers when being created and they draw information from consumer behaviour research and do not fluctuate in quality when implemented.
- 9) In previous issues of this series we repeatedly mentioned projects in the sphere of **quality care** management (Clinical Audits, HTA, Quality Improvements and others) which significantly enhance the reason for doctors preferring your drug without you forcing them to. Similar deliveries of Customer Values (C1 of the mix) should above all consider those drugs which they want to retain or create a “leading position”.

10) **Pre-marketing C-mix**, unlike the pre-marketing P-mix, works with the marketplace much sooner (up to 36 - 60 months prior to the launch), while the questions that are primarily discussed concern treatment, its quality, processes and the organisation of care rather than the actual drug. Although this procedure is their own biotech and original to pharmaceutical firms, it will, in future, move to the field of generic firms which will make it easier for them to attain the position of respected brand entities.

11) **A greater complexity of the C-mix and higher mutual correlation of its individual parts** means that there is no need to come up with further "Cs" as was the case of the P-mix (some versions contained as many as 12 "Ps" to be able to cover the growing complexity of marketing, and they still proved unsuccessful). Nobody could remember this properly anyway and did not use it in practice.

It is possible to understand the marketing mix well and appreciate its potential above all when you have already worked on several and they turned out to be objectively excellent. Then you could write a sequel to this article because we have certainly not exhausted its contents by far. Until such time we wish you lots of interesting cases in your marketing practice ☺.

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