

Marketing assignment 1

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Effective use of Marketing Mix in the Transport sector

The marketing mix, often known as 4 Ps is a “set of marketing tools that the firm uses to pursue its marketing objectives in the target” (Kotler P., 2000). The 4 Ps allow users to specify their strategy using 4 important categories - Product, Price, Promotion and Place. In order to use this technique, it is important to answer a set of questions for each category to outline a plan that can be used to achieve company's goals.

A product is a service or a thing that satisfies potential customer's needs and/or wants. When considering this part of the marketing it's important to decide on following things: Design of product, its features and range, how the product will be packed and or labelled, the return policy and also the product warranty.

The second P in the marketing mix - price refers to sacrifices that a customer needs to make in order to acquire an item or use a service. It's both the amount of money they need to pay and amount of time and effort used while looking for such service/item and purchasing it. A given price must take into consideration total cost of manufacturing, logistics and transport including any fuel, salaries for workers etc.

The next P in this set of marketing tools stands for place. It broadly describes customer access including all possible ways to make it as easy as possible for clients to access. When considering this part of the marketing mix it is important to think about logistics and warehousing as well as transporting the goods between strategic elements of any given supply chain

The last P stands for promotion. It involves elements like advertising and public relations. The term promotion comes from Latin word “Promotionem” meaning moving forward. In marketing, promotion means any communication “used to inform or persuade target audiences of the relative merits of a product, service, brand or issue” (McCarthy, Jerome 1964)

The first time when this concept was used was in 1948 when a Harvard professor James Culliton published an article in which he described marketers as “mixers of ingredients”. Even though it became clear that marketing consists of some ingredients, it wasn't clear what ingredients they are until the 1960s when E. McCarthy proposed the idea of 4Ps known nowadays.

Nowadays, use of clever marketing techniques in transport and logistics is more important than ever. Customers can usually choose their train, flight or bus from a set of various options ranging from companies offering budget services which consist only of basic transit, all the way to the most luxurious airlines offering first class experience with butler services,

beds, showers etc. Companies providing transport services can use the 4 Ps strategy to decide what image and values they want to present.

Ryanair, for example, is one of the most popular cheap airlines. Irish company with its headquarters in Dublin is very open about their mission which is cutting fares which is providing cheap air travel affordable for everyone - its slogan speaks for itself - "Low fares, made simple". It was founded in 1984 and very quickly grew from a small airline operating on one route into Europe's biggest carrier employing 13000 people, operating more than 400 aircrafts in 35 countries in Europe, North Africa and Middle East. Ryanair became so successful due to its very clever marketing which can be analysed using the marketing mix.

Ryanair's main product is very simple. They offer air travel in Europe with some flights connecting Europe with Middle East and North Africa. In some countries Ryanair is operating domestic flights too. Aircrafts do not offer first or business class and the only upgrade a client can hope for is extended leg room in emergency exit rows.

Price. One of Ryanair's tactics to lower their fares is to negotiate airport fees with small, regional airports. The reason for airports agreeing to lowering the fees is that Ryanair flights would often be the only ones operating on such airports, and that can bring tourists and therefore money to the area. Another tactics for keeping fares so low is stripping down the service they provide to a bare minimum, that is transit between two airports. Passengers need to pay more should they wish to bring extra luggage or purchase a meal on board. Apart from that, Ryanair also sells gifts, including perfumes on board which adds to their income.

Place. Ryanair often chooses smaller airports to operate to and from, usually located outside of big cities mainly because they tend to have lower airport fees and smaller intensity of traffic. Apart from that, the airline offers their clients to purchase tickets and other services using their website so they don't have to make a trip to the airport just to purchase a ticket.

When it comes to promotion, Ryanair is known to be very controversial, some would even say aggressive. They're using a lot of channels to advertise their services - press, social media, TV. Sometimes they use their own aircrafts as banners for their ads. By using very informal language and/or clever play with words like puns, Ryanair stands out from other airlines.

It is evident that Ryanair is using the Marketing mix very effectively. The company grows very quickly and is constantly expanding by creating new bases, operating on new routes and enlarging their fleet. Only in 2018 Ryanair has made 7.5 billion euros of income. That would not be possible to accomplish without its clever marketing.



Bibliography:

https://www.mindtools.com/pages/article/newSTR_94.htm

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Banting, P.M. & Ross, R.E., "The marketing mix: A Canadian perspective," *Journal of the Academy of Marketing Science*, vol. 1, no. 1, 1973

W. Waterschoo; C. van den Bulte (1992). "The 4P Classification of the Marketing Mix Revisited". *Journal of Marketing*

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GRADEMARK REPORT

FINAL GRADE

52/100

GENERAL COMMENTS

Instructor

Good use of essential reading in research.

Very good knowledge and understanding of the four aspects of the Marketing Mix demonstrated.

Very good analysis with good use of Ryanair as an example to apply the four aspects of the Mix. No conclusion which prevents a higher mark in this area.

Well presented in a coherent manner.

A very good piece of work which explains the Marketing Mix well. Higher marks would have been awarded if there was more volume as it barely meets half the recommended word count.

PAGE 1

QM

Good point

Good point

QM

Good point

Good point

PAGE 2



Good point

Good point



Good point

Good point



Good point

Good point



Comment 1

No conclusion