1. “Services have unique characteristics that make them different from Products”. Discuss. Also explain the importance of three additional Ps involved in services marketing apart from traditional 4Ps of marketing.

Ans: Traditional 4Ps of Marketing Mix

1. Product
   In the marketing mix, the product or service is the most important without which marketing concept itself does not exist. Customers acquire products for a singular reason that they’re perceived because the means that to satisfy their wants and needs. According to Philip Kotler, “A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a need or want.”
   In effect, according to this definition, products include physical products, services, persons, places, organizations, and ideas. Products have various attributes such as quality, variety, design, brand, packaging, services, and warranties that can be changed depending on what the specific market wants.
   For example, when consumers wanted Tata Indigo Marina, it was an updated version of Tata Indigo.

2. Price
   The second factor is the price, which impacts the volume of sales. It is a price that will obtain a quantity, weight or specific measurement of a product.
   For example, you buy a packet of chips which is net 10 grams in weight, for this value ‘10’ denotes the price of the product. The price is the only marketing mix element that can be changed quickly. Price straight away influences the development of marketing strategy as it is the main factor that influences the assessment of importance obtained by customers. Firms have to take some factors while fixing the price of a product.
   These factors are:
   - Objectives of business
   - The competitive environment
   - Product and promotional policies of the firm
   - Nature of price sensitivity
   - Conflicting interest between manufacturer and intermediaries
   - Routine pricing decisions
   - Active entry of non-business groups in pricing decisions

3. Place
   The place is an important factor of a marketing mix, which covers the various activities the company tries to reach the specific categorized customers by their products availability.
   Place mix deals with the physical distribution of products to the destination at the right time and right place.
   For example, a customer usually purchases toiletries from nearby retail stores. So, toiletry marketers must ensure that their products are available at almost every nook and corner store.
   Distribution channels may also be used in marketing strategy to differentiate a product from its competitors.
   For example, Amway distributes its products using direct distribution channel while HUL uses multi-channel distribution (through retailers, wholesalers, online sources, etc.).
   A company uses distribution channels like retailers, wholesalers, merchants, brokers, and value-added resellers. The management also aims to keep the physical distribution costs (inventory, transportation, and storage) as low as possible.

4. Promotion
   This method helps to communicate the features and benefits of the products or services to its target customers. Some commonly used methods such as advertising, sales promotion, direct selling, public relations, direct marketing etc.
   For example, Toyota promotes its brands by advertising, sales promotions, public relations, sponsorship’s, etc.
   The promotion is a key element of any marketing activity used to positively influence the perceptions of the target customers in order to facilitate exchanges between the seller and the customer.

Additional 3Ps of Marketing Mix

The traditional method of 4Ps was not enough to market services. After considering the rapidly increasing role of services in the economy and customer-orientation, additional 3Ps were added to the marketing mix to serve the purpose of marketing services.
People, Process, and Physical evidence are the additional 3Ps. They play a greater role in the marketing of services than in the marketing of products.

1. People
   This is a vital element of the modern marketing mix or the service mix. Having appropriate staff and people are an essential part of any service provider.
   Recruiting the right employees and giving training for them appropriately to deliver their services are very essential if an organization wants a competitive advantage.
   Consumers make judgments and deliver perceptions of the service based on the behavior and performance of employees how they react with them.