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# 'Perception' as one of the 'P' in Services Marketing Mix: An Improvisation of Julian Yudelso Work

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MRINMOY BHATTACHARJEE

The ICFAI University, Mizoram

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*In the era of fierce competition where all the corporations are trying their best to satisfy customers to maintain their existence profitably in the market especially, in services, it is mandatory that the customers' bears a positive perception in their mind about the service offered. However, it is very difficult to create such perception among customers because of gap in understanding and perception of employees who are delivering the service and the organization or employer who is developing it. Though, the study of such type of gap is not new but, a scientific method of bridging such gap can yet prove its worth. The present study is a noble attempt to further improvise the work of Julian Yudelso and propose 'Perception' as one of the 'P' in addition to product, place, price, promotion, people, process and physical evidence of services marketing mix.*

**Key Words:** Perception, Services, Mix, Gap, Marketing

## INTRODUCTION

Marketing mix has been a very interesting area for work among management authors and researchers all across the world. The study of traditional 4 P's (Product, Place, Price and Promotion) of marketing mix has always been a part of any management program. However, in the post globalised era, especially in Asia and other developing continents, the service sector contribution to Gross Domestic Product (GDP) of the countries increased at a very fast pace like American and European nations. This shift in agriculture and manufacturing based economies to services based economies encouraged and prompted researchers to focus in service sector and thereby, increasing the rate of research and innovations in the area of services. In addition to 4 P's of marketing another 3 P's (People, Process and Physical evidence) were developed for services and referred by the term 7 P's of services marketing mix.

Marketing mix is not a scientific theory, but merely a conceptual framework that identifies the Principal decision making managers make in configuring their offerings to suit consumers' needs. The tools can be used to develop both long-term strategies and short-term tactical programs (Palmer, 2004).

According to Gronroos (1994), the marketing mix paradigm has dominated marketing thought, research and practice which is very much evident from the numerous research and studies in this area.

The main reasons the marketing mix is a powerful concept are It makes marketing seem easy to handle, allows the separation of marketing from other activities of the firm and the delegation of marketing tasks to specialists; and the components of the marketing mix can change a firm's competitive position.

## OBJECTIVE OF THE STUDY

In the era of fierce competition where all the corporations are trying their best to satisfy customers to maintain their existence profitably in the market especially, in services, it is mandatory that the customers' bears a positive perception in their mind about the service offered. However, it is very difficult to create such perception among customers because of gap in understanding and perception of employees who are delivering the service and the organization or employer who is developing it. Though, the study of such type of gap is not new but, a scientific method of bridging such gap can yet prove its worth. The present study is a noble attempt to further improvise the work of Julian Yudelson and propose 'Perception' as one of the 'P' in addition to product, place, price, promotion, people, process and physical evidence of services marketing mix.

## BACKGROUND OF THE STUDY

Frey (1961) suggested that the marketing mix variables should be divided into two parts, a part named 'the offering' which includes variables namely, product, packaging, brand, price and service and another part named 'the methods and tools' which includes distribution channel, personnel selling, advertising, sales promotion and publicity.

Popularly, it was McCarthy (1964) who regrouped the twelve elements of Borden into four main elements (Product, price, place and promotion) which became integral part of management study eventually.

Borden (1965) was the first to have used the term

'marketing mix elements'. According to him, there were twelve elements in marketing mix namely, product planning; pricing; branding; channels of distribution; personal selling; advertising; promotions; packaging; display; servicing; physical handling; and fact finding and analysis.

The development in services marketing mix came up with the research work of Booms and Bitner (1980) who added three new P's to the traditional marketing P's namely, people, process and physical evidence to make it more appropriate for the services. These meaningful and appropriate elements gave new dimensions to the study of elements of marketing mix.

Kotler (1986) proposed political power and public opinion formation to be the part of P's concept.

MaGrath (1986) suggested the addition of 3 Ps namely, personnel, physical facilities and process management in the marketing mix elements.

Yudelson (1999) proposed that the 4Ps are not the proper basis of the 21st century marketing. The Marketing developments of the last 40 years require a new flexible Platform while the simplicity of the old model remains an attractive fact. He translated McCarthy's 4Ps in the following manner: Product-Performance, Price- Penalty, Promotion-Communication or Perception and Place-Process.

Yudelson pointed out some very vital and significant development in marketing thought since 1960. He highlighted that the first 'P', Product proposed by McCarthy considers only tangible of physical products. In 21st century, the concept of physical product does not work out any more with varied service offerings and hence, he proposed to replace Product with Performance as the later is delivered by majority of the service organizations.

He translated the second 'P', Price into Penalty, as customers not only pays a price to obtain a benefit but, also gives away some valuable things like time, effort etc. to receive the performance. He also associated Penalty with the concept of loss that the seller incurs due to poor performance.

Further, he argued that the third 'P' Promotion does not hold enough meaning when it comes to 21st century marketing. Promotion should necessarily include all form of conveyed information that is required to complete a transaction between buyer and seller. The exchange which puts both the parties in mutually adventitious position should rather be termed as Communication or Perception.

In the age of digital communication, the entire world has transformed into a market place. So, the definition given by McCarthy and Perreault about the fourth 'P' Place, as putting the right quantity of goods and services to the right location where the customers want them, also seems to be falling short, as put forward by Yudelson. He rather advocated to use the term Process in place of the former, because, it is the process which makes the goods or services finally available to the customers.

## LOGICAL REPRESENTATION OF 'PERCEPTION' AS ONE OF THE 'P' IN SERVICES MARKETING MIX

The role of 'perception' in marketing especially, in services marketing is undeniable and non debatable. It is one of the most important factors that govern the demand of a service. Services being intangible in nature are more complicated to be perceived.

In order to match customer expectation of a particular service, it has to be exactly perceived in the same way by the employees who are delivering the service and the organization or the employer who develops the service. The matching of perception can be calculated by developing a 5 point rating scale where '5' represents 'excellent' service, '4' represents 'very good' service, '3' represents 'good' service, '2' represents 'average' service and '1' represents 'poor' service. All the customers (or sample of customers), employees and employers may be asked to rate their service according to the quality they perceive. This can further be calculated in the following way:

$$\sum_{i=1}^n P_{c_i} / n = \text{Mean of customers' perception}$$
$$\sum_{i=1}^n P_{em_i} / n = \text{Mean of employees perception}$$
$$\sum_{i=1}^n P_{er_i} / n = \text{Mean of employer's/ Management's perception}$$

Where,  $P_{c_i}$  = Perception of customers' about the standard of service on a 5 point rating scale.

$P_{em_i}$  = Perception of employees about the standard of service on a 5 point rating scale.

$P_{er_i}$  = Perception of employer/ Management about the standard of service on a 5 point rating scale.

$n$  = Number of customers/ employees/ Organizational member or employer

Further, in order to ensure that the service quality or standard is perceived by the employees and the Management or employer in the same way the customers' perceive, the mean of the individual perceptions (Customers', Employees and Management/ Employer) should be equal to each other as follows:

$$P_{c_i} / n = P_{em_i} / n = P_{er_i} / n$$

Any difference among the mean perception of customers', employees and management will indicate the gap in understanding and will call for detail analysis and enquiry on where the difference lies.

There may be various factors suggested by many authors from time to time to rate the standard or quality of service or the best way of deciding about the factors which are to be considered in rating the service can be developed through consultation with customers and employees by the management or employer.

An overall mean between 4 to 5 will indicate that the service is designed, delivered and perceived in a very good way whereas, lower means will indicate the scope in improvement in service quality and delivery.

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Julian Yudelso in his work has proposed 4 new P's for the 21st century where one of the 'P' proposed by McCarthy which is 'Promotion' is translated into 'Perception' by him.

The present study considers 'Perception' to be of utmost importance in services marketing mix and proposes to be the one of the 'P' in services marketing mix along with 'product', 'Price', 'Place', 'Promotion', 'People', 'Physical evidence' and 'Process'.

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## BIOGRAPHY

**Mrinmoy Bhattacharjee** is Head, Department of Management of ICFAI University Mizoram. He has more than 9 years of teaching and 3 years of industry experience. He is also Controller of Examinations of ICFAI University. The author has 7 research papers in national and international journals like Indian Journal of Marketing, Pacific Business Review, Marketing Mastermind, The strategist, Baniya, Journal of Higher Education etc. The author is actively interested in areas such as services marketing and social cause marketing.