

Specifics of a marketing mix for a startup business

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Abstract: The goal of the study was to identify the most important marketing mix tools for the startup organization. The partial goal was to point to the composition of the various elements of the marketing mix of the startup organization. We can divide the study into several chapters. The first part deals with the basics of the marketing mix and its theoretical basis and discusses the specific elements of the marketing mix. The aim of the analytical part was to analyze the specific elements of the marketing mix in the selected startup of the company. The practical part of the thesis focuses on the evaluation of the survey, which concerned the respondents' views on the marketing of the given enterprise. We surveyed 312 respondents who responded to 13 questions using our questionnaire. The last chapter of the paper focuses on recommendations and suggestions on improvements in all aspects of the marketing mix in the company, and so on the acquisition of new customers.

Keywords: marketing mix, startup organization, promotion

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1. BASIC THEORETICAL BACKGROUND IN THE FIELD OF MARKETING MIX

Most people when hearing the word marketing they associate it with sales or advertising. Both are part of marketing, but marketing itself means a lot more (Kincl et al. 2004). Marketing itself seeks to manage market relationships. The seller must search for buyers, map their needs, design high-quality products and services, set prices, promote sales, store goods and deliver it to the customer (Kotler, Armstrong 2004).

We often encounter distorted marketing insights, when marketing is understood as an aggressive sales policy. The fundamental difference between the sales and marketing concept applied in practice is as follows: if the company applies a sales concept, it first creates the product and then, through various methods, convinces the customer to buy it, trying to adapt the consumer's requirements to its offer. Marketing is the exact opposite of this approach. The marketing-oriented company first looks at what the customer needs. It then focuses on developing a product that suits these needs and at the same time generating a reasonable profit (Dorčák, Dorčáková 2008). An organization cannot be successful if it does not respect the needs of the customer (Kincl et al. 2004).

Marketing is trying to explain and predict how organizations offer and sell their products, and under what conditions, and how they are gaining and buying in an economy of free competition. In the competition, buyers will prefer those sellers who offer the product most suited to their needs, preferences or financial capabilities. A marketer tries to discover what people want and proceeds accordingly (Cibáková, Bartáková 2007). However, not all marketers follow the marketing concept. When working to meet customer needs and to build business success, many businesses apply questionable marketing practice. These are also marketing activities that at first glance may look harmless, but in fact cause harm to particular consumers (Kita et al. 2000).

The extent to which the company approaches its customer determines largely its market position and the future rise or fall (Dorčák, Dorčáková 2008). Satisfying the customers' needs is a major marketing task and achieves it thanks to a marketing mix. The marketing mix is the core of the concept of modern marketing. It represents a combination of all the elements in order to satisfy all the expectations and needs of the customers. The term marketing mix is associated with the name of N. H. Borden, who compared the marketing mix to the "cake-mix". According to Borden, we can improve the flavor of the cake by increasing the proportion of one ingredient (sugar). It emphasizes, however, that this mixture must not be "overdone". This would break the balance of the individual components. The same happens with the marketing mix. Even the results depend on the correct ratio and the right combination of all components of the marketing mix (Dudinská et al. 2000).

The most important task of the marketing mix is to find the right balance. All businesses have limited resources and it need to be distributed efficiently (Russell – Jones 2005). The combination of elements, which make up the marketing mix is changing and is different in each business. The marketing mix reflects the business objectives and its capabilities as well as the impact of the outside environment. The company will only succeed if all of the company's sectors work together. If only one sector does not work, it will endanger the company's success (Dorčák, Dorčáková 2008).

Marketing mix definitions differ. Schoell Gultinanom (1998) define a marketing mix as a set of marketing tools that a company uses to reach its target market objectives (Jakubíková 2008).

According to Dudinská (2000, p. 49): “marketing mix is the essence of the concept of modern marketing. It is the means by which many customer requirements are being met. It represents a combination of all the elements in order to satisfy all the expectations and needs of the customers”.

The marketing mix is a tool that we can combine and coordinate. The original, best known and most frequently cited is a marketing mix consisting of four tools, 4P (Srpová, Řehoř 2010). The theory, based on the four P concept, says that when we try to make a product at the right price with the right marketing communication, in the right place, then the marketing program will be effective and successful (Dudinská et al. 2000). Marketing as part of a business that is responsible for attracting customer attention has created a number of misleading practices. Although, the advantage of the four P's is that they represent a simple, reliable management idea, widely used for more than 40 years after it was formulated (Russell-Walling 2012).

2. METHODS OF RESEARCH AND SAMPLE SURVEY

The main objective of the research part of this work is to identify the most important elements of the marketing mix for the purpose of the selected startup of the company. The partial aim of the analytical part of the thesis is also a detailed analysis and elaboration of individual elements of the marketing mix of the given enterprise. Our aim is to determine the importance of individual elements of the marketing mix with respect to the marketing phase.

Another aim of this part of the research is to conduct a survey that focuses on the opinions and preferences of respondents in relation to the use of individual forms of marketing communication. The purpose of the analysis is to identify the most important tools of marketing communication for the needs of the newly emerging company and to propose recommendations for the marketing strategy of the company.

Based on established research objectives, we have formulated the following hypotheses:

H0: We assume that there is no linear relationship between the elements of the marketing mix (product quality, price, location, promotion) and whether the respondents recommend their business to the known one, and therefore $\rho = 0$.

H1: We assume that there is a linear relationship between the elements of the marketing mix (product quality, price, location, promotion) and the willingness to recommend it to their acquaintances, and therefore $\rho \neq 0$.

In the survey, we used a questionnaire form to obtain data, through which we surveyed the views of respondents on individual questions. The questionnaire was created using Google Spreadsheets and then we delivered it to the respondent through the Facebook Social Network where we addressed the target

group of respondents. We conducted the survey in December 2017. The questionnaire was anonymous and contained of 13 questions. The respondent always chose one answer that best suits them. We systematically sorted the questions according to the individual elements of the marketing mix. We also asked about the age, gender, and economic status of respondents in the survey to clarify the sample. 312 respondents filled out the survey. More women participated in the survey, 65% of the total number of respondents. Men participated in the survey at 35% of the representation.

3. RESULTS AND DISCUSSION

In this section, we will present the evaluation of the selected survey questions, which are followed by statistical evaluation. For the question number 4 most respondents answered positively. 35.90% of the respondents noted that they are “definitely satisfied” with the quality of the products the company offers. 35.26% of the respondents are “rather satisfied” with the quality of the products. 26.28% of the respondents said they “do not know” if the company offers high-quality products. 1.92% of the respondents said, that they are “rather dissatisfied” with the quality of the product and 0.64% chose the option “definitely dissatisfied”. Table 1: “How satisfied are you with the quality of the products the business offers?”

	N	%	N	%
Answers				
Definitely satisfied	110	35,26	110	35,26
Rather satisfied	112	35,90	222	71,16
I do not know	82	26,28	304	97,44
Rather dissatisfied	6	1,92	310	99,36
Definitely dissatisfied	2	0,64	312	100
Overall	312	100,00	312	100,00

Source: Own elaboration

As can be seen from the table, 35.26% of the respondents can not yet judge whether the company offers an affordable menu, coffee and croissant at a discounted price. 26.28% of the respondents indicated the answer to this question “rather yes”. 27.56% of the respondents think that the company “definitely offers” such a preferred menu. 8.97% think the company “does not offer” such benefits. The fact that the

company “definitely does not offer” was identified by 1.92% of respondents who participated in the survey.

Table 2: “Does the company offer an affordable menu”?

	N	%	N	%
Answers				
Definitely yes	86	27,56	86	27,56
Rather yes	82	26,28	168	53,84
I do not know	110	35,26	278	89,11
Rather no	28	8,97	306	98,07
Definitely no	6	1,92	312	100
Overall	312	100,00	312	100,00

Source: Own elaboration

For the question of whether an enterprise has a good placement respondents responded positively. Almost half of the respondents, 48.08% think the business is "definitely" at a good place. The view that 30.77% of the respondents have is a “rather yes”. 6.41% of the respondents cannot objectively assess whether they have a good placement. 10.25% of the respondents chose “rather no”. The overall dissatisfaction with the sum of the company is 4.49% of all respondents

Table 3: “Do you think a business has a good placement?”

	N	%	N	%
Answers				
Definitely yes	150	48,08	150	48,08
Rather yes	96	30,77	246	78,85
I do not know	20	6,41	266	85,26
Rather no	32	10,25	298	95,51
Definitely no	14	4,49	312	100
Overall	312	100,00	312	100,00

Source: Own elaboration

Since the surveyed company is a startup business, we asked the respondents about their opinion on the advertising of the business before the opening. 26.28% of the respondents think that the business had (definitely yes) a good advertising before the opening. 29.49% reported that the company had good advertising (rather yes). Of all the respondents, 22.44% cannot judge the ad. 17.94% chose that the company did not have a good advertisement (rather no), and 3.85% of the respondents thought the company definitely did not have (definitely no) a good promotion before the opening of the company.

Table 4: “Do you think the business had a good advertising before the opening?”

	N	%	N	%
Answers				
Definitely yes	82	26,28	82	26,28
Rather yes	92	29,49	174	55,77
I do not know	70	22,44	244	78,21
Rather no	56	17,94	300	96,15
Definitely no	12	3,85	312	100
Overall	312	100,00	312	100,00

Source: Own elaboration

Nearly half of the respondents, 48.72% would “definitely recommend” the company to their acquaintances. 26.92% of the respondents said “rather yes”. 18.59% of the respondents are not determined whether they would recommend the business so they chose “I do not know”. On this question, 2.56% of the respondents replied that they would not recommended (rather no). 3.21% of the respondents chose “definitely no”.

Table 5: “Would you recommend the company to your acquaintances?”

	N	%	N	%
Answers				
Definitely yes	152	48,72	152	48,72
Rather yes	84	26,92	236	75,64
I do not know	58	18,59	294	94,23
Rather no	8	2,56	302	96,79
Definitely no	10	3,21	312	100
Overall	312	100,00	312	100,00

Source: Own elaboration

To verify the hypotheses we used a Pearson correlation, which expresses the degree of linear dependence of two variables. In Pearson's correlation, the positive value means that the variables change together in one direction. On the contrary, the negative value means that the variables change in the opposite direction of the anula, which means that they change independently. When evaluating the correlation, a scale is used where the resulting value, which is less than 0.1, is negligible. Values from 0.1 to 0.3 mean a small association between variables and values above 0.5 mean a big association between the variables.

To verify the hypotheses, we used questions number 4, 6, 8, 10, which we then analyzed in relation to question no. 13, where the respondents answered whether people would recommend the business to their acquaintances. Using these questions, we found that product quality, price, placement, and promotion have an impact on whether customers recommend a business further to their acquaintances. As the table shows between the variables, there is a linear dependence, as the values are positive, so we can confirm the hypothesis H1. On the other hand, we reject the hypothesis H0.

The survey showed that the biggest impact on whether the customers recommend it to their acquaintances is the quality of the product. The value of this indicator was 0.704 for the Pearson correlation. The other three elements that we compared, the price, placement, and promotion, have average correlation values and contribute approximately to the same value to the consumer's decision.

Table 6: Pearson correlation

	Quality of the product	Price	Place	Promotion
Impact of elements on business recommendation	,704	,498	,448	,408
N	312	312	312	312

Source: Own elaboration according to SPSS Statistics

4. CONCLUSION

The survey we conducted focused on the marketing mix of the startup organization. In the framework of the conducted survey, we identified the respondents' views on the selected newcomer business. For a newcomer, the founder or founders need to understand that it is appropriate to process the marketing strategy prior to placing the product or service on the market. Such an enterprise still does not respond to customer suggestions, because the customer has not yet learned about the product, did not know the service. As part of the marketing mix, an enterprise should first understand and develop a product strategy because it cannot develop a pricing or distribution strategy without knowing what product or service will be offered. It is also beneficial for a newcomer business to choose a suitable way of promotion. It should make use of all the options currently available to get as many people as possible. Nowadays, there are many possibilities. The company also has to think about introducing itself to people. While it is often said that even bad advertising is an ad, it is not always valid for a startup business. The selected business was first made available to customers in February 2017. The survey was conducted in December 2017, precisely because respondents were able to compare the advertising of the business before and after the opening. For over a month, we have been tracking how an enterprise is getting new customers, how it directs its business, its offers and how customers respond to this offer. Within the 4P marketing mix, we have developed suggestions and recommendations for each element. We conducted a survey to see if there is a dependence between the various elements of the marketing mix and the behaviour of the consumer. The benefit of the work is that we find the biggest impact on consumer decision-making on the product and the quality of the product the company offers. The most important element for organizational startup needs is therefore a product as a marketing mix tool. Therefore, every new business should pay attention to this aspect. Other elements of the marketing mix are equally important for the consumer. After the entrepreneur decides what will be the customer's offer, what design and what additional services the product chooses, it is important to focus on the other elements of the marketing mix. The company can offer a good product, but on the other hand, the high price or bad advertising can discourage the customer from another visit.

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