



Section 4.6

Activity 4.6.1

1. People might be important to retailers because they are responsible for customer service.
2. Apple has used training to get the best from its people by using the five stages of customer service, such as approaching customers with a personalised and warm greeting.
3. Apple could also improve the performance of its people by using financial incentives such as bonuses, commission or by paying higher wages than its competitors.

Activity 4.6.2

1. 'Process' is the procedures and policies that are put in place to provide the service or the product to the consumer.
2. Process might be important to Zappos because it makes sure each aspect of the customer experience of business is satisfying, including areas such as ordering, delivery and billing.
3. A problem for Zappos following the data breach might be that some customers will stop using the service, which will reduce revenues and profits.

Activity 4.6.3

1. 'Physical evidence' is the environment of Carrefour retail outlets, made up of quality of the building, fixtures, layout, lighting, parking and customer facilities.
2. The differences and similarities between physical evidence, people and process at Carrefour are:

Physical Evidence at Carrefour involves the quality of:

- The building
- In-store fixtures
- Layout
- Lighting
- Parking
- Customer facilities.

People at Carrefour involves the quality of:

- Sales staff



- Shop floor staff
- Managers
- Customer service staff.

Process at Carrefour involves the quality of:

- Stock management
- Availability of goods in-store
- Check-out operation
- Payment system.

Activity 4.6.4

These might be important aspects of people, physical evidence and process to British Airways' marketing strategy:

Physical evidence at BA involves the quality of:

- The build of the aircraft
- Aircraft fixtures and fitting
- Seats
- Inflight entertainment
- Food and drink.

People at BA involves the quality of:

- Cabin crew
- Check-in staff
- Flight crew
- Booking staff.

Process at BA involves the quality of:

- Procedures for getting customers from check-in on to the plane
- Ticket booking
- Billing
- On-board systems for safety.

Exam practice question

1. 'Extended marketing mix' is the addition of physical evidence, people and process to the traditional mix of the four Ps of price, product, promotion and place.
2. Ways UGG has used physical evidence as part of its extended marketing mix includes:
 - Attractive stores
 - Spacious store layout



- High-quality fixtures and fittings in-store.
3. UGG has improved its process as part of its retail marketing strategy by upgrading its IT systems to improve the quality of the order experience for customers.
 4. People may be important to UGG's extended marketing mix in its retail outlets because:
 - Sales staff serve customers effectively
 - Shop floor staff help customers in the shops
 - Managers maintain well-motivated and directed staff
 - Customer service staff deal with customer issues effectively.

There are, however, six other elements to the marketing mix that need to be considered as well (for example, product, price, etc.).

Key concept question

The extended marketing mix might be different in different cultures in the following ways:

- Physical evidence – it might be very important in a 'power culture' (high-quality building, fittings, layout, etc) to show the prestige and influence of the people at the top of the organisation. In a 'task-oriented culture' the physical evidence could be more functional.
- People – might be seen as a very important part of a 'person culture' organisation because the staff see the critical role they have in the organisation. This may not be so important in a 'task culture' organization, which is based more on systems.
- Process – might be critical in a 'task culture' when the organisation sees making systems work effectively as critical. This may not be such a strong factor in a 'person culture' focused more on people.