

Ranking the Marketing Mix Elements Affect on the Behaviors of Industrial Electrical Heaters Consumers (Case Study: Kaveh Industrial City)

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Abstract: This study aims at ranking and classifying the marketing mix elements that affect on behaviors of industrial electrical heaters consumers in Kaveh industrial city to increase the sales of manufacturers of electrical heaters. The statistical population is the companies of Kaveh industrial city and the sampling is from companies that using this industrial device is essential at their production process. The research method is measurement-descriptive. In the research design, after describing the research importance and setting the goals, four hypothesizes are examined that their variables are price, production, promotion (improvement) and distribution. Hypothesizes are confirmed and supported by using test t and factors influence on consumers' behaviors for buying electrical heaters are classified by Freedman's test. The general conclusion is that producers in addition to deliver high quality goods to consumers should have a powerful distribution system to attract and maintain more customers. Other factors of marketing mix affect on consumers' behaviors are price and promotion in the next classification of efficacy, respectively.

Key words: Marketing • Marketing mix • Consumer's behavior • Kaveh • Iran

INTRODUCTION

The term marketing has changed and evolved over a period of time. Today, marketing is more on providing continual benefits to the customer and these benefits need to be provided when transactional exchange takes place. The Chartered Institute of Marketing defined marketing as the management process that responsible for identifying, anticipating and satisfying customer requirements profitably. Marketing requires co-ordination planning, implementation of campaigns and a competent manager (s) with the appropriate skills to ensure success [1]. For marketers to effectively market and advertise their products and services, they should consider about the behavior or nature for customers and supplier for resources. They should understand the customer's needs and respond to their demand using the relevant supply. By doing so, they can maintain their core competency by remaining connected with their customers or suppliers [1]. If producers want to maximize their profits, they have to accept the risk of production and marketing process. On the basis of strategically management viewpoint,

obtaining the potential benefit is approximately impossible without accepting the risk. Therefore, the producers should be going on the balance between loss risk and obtaining the potential benefit in management strategies [2]. The important factor of marketing strategy success is the correct understanding of consumer's behavior. This is important for both profit and non-profit organizations. Nowadays in the competitive world, organizations focus their attention on the customers and customers' satisfaction is the main factor to gain competition advantage for organizations. The requirement of attracting the customers' satisfaction is to meet their needs completely and recognize their desires, expectations, abilities and constraints of purchasing the products. Gathering this information, the factors affects on customers' behaviors can be identified and they can be used for marketing decision making by organizations. Therefore the companies' products should be according to customer's expectations and desires. In this light, recognizing the dimensions, buyer's desires and identifying the relation between them and marketing mixed factors play important role. In this study the considered

product is an industrial product, used to generate heat in manufacturing process of many factories. Regard to generating heat play important role for producing products at these factories, so the considered product has potential importance at production lines. Sometimes because some elements are restricted to produce or repair this single product, the production line of this product stops completely. The production (goods and services) should satisfy the customers' expectations and the price must be proportionate to buyer's affording. This product should be available to there is no problem for customer to purchase it. Finally the necessary promotions must be implemented to inform the consumers of existence this product. In fact, the marketing mix concept determines the performance direction of organization through using a series of controllable variables of environment that has many uncontrollable factors (foreign market) [3]. In this study we will discuss the classification of marketing combined factors affect on behaviors of industrial electrical heaters (heating elements) consumers in Kaveh industrial city and explain the sales, pricing and marketing of factories manufacture element can be improved through knowing the most important factors affect on customers' satisfaction and also by determine how to advertise their products.

What is Marketing?: Marketing is planning process, implementing a concept, pricing, promoting and distributing the ideas, products and services in order to create exchange to achieve the organizational and individual goals. All definitions are correct but the last definition is more exact.

Organization to Organization Marketing: Organization to organization marketing is to market goods or services of an organization for other organizations. Although the marketing is sometimes to be related to thousands requests of consumers' goods, perhaps it is unbelievable that goods are sold to other organizations more than final consumers. These cases are called industrial goods. These goods are purchased by originations to more process or to use in their operations. Automotive manufacturers, for example, purchase lots of steel for using in their production process, also they buy computer s to explore the industrial expenses, components stock, export new machines and purchase other necessary information [4].

Marketing Mix and Advent of Concept 4Ps: The marketing mix theory is improving from time to time. Marketing mix begins with 4P (Product, Price, Place and

Promotion) by E. Jerome McCarthy in 1960, as the most common model and has been consistently used in chaos and complexity article based on the marketer or product perspective. Each of the element in 4P are not trade-offs but are fundamental marketing issues that always need to be addressed. However, 4P of marketing is a fall back of the old days of marketing. As with many aspects of traditional business, today's market demands are adjustments to see things from your customers' perspective. Many now dismiss 4P as being out of date and have developed the 4Cs to replace that concept. Consequently, 4P shift to 4C (Customer Value, Cost, Convenience and Communication) proposed by Robert Lauterborn [1]. As the model based on the customer or product perspective, the product part of 4P model is replaced by customer value, shifting the focus to satisfying the consumer. Price is replaced by cost to the user, reflecting the reality of the total cost of owner. Many factors influences the cost but not limited to the customers cost to change or implement the new product or service and the customers cost for not selecting a competitors capability. Place is replaced by convenience, with the rise of internet and hybrid models of purchasing, traditional definition of place is no longer relevant as convenience takes into account the ease to buy a product, find information about a product and several other considerations. Promotion is replaced by communication which represents a broader focus than simply promotions. Communications can include advertising, public relation, personal selling, viral advertising and any form of communication between the firm and the consumer. In short, the 4C reflect a more customer oriented marketing philosophy, in fact they provide useful reminders that you need to focus entirely on the customer when deciding where to offer a service. Many researchers in the 1980s and 1990s still love to use and to extend the number of the Ps; from 4Ps to six, seven or more Ps. For example, Brookes has also added customer service as a fifth P and has found six Ps (public relations and politics). Booms and Bitner have found as many as seven Ps (people, physical evidence and processes) as their arguments are that the 4Ps do not take sufficient account of people, processes and physical evidence. Many more, Wind suggests 11 elements. However, the creation of new 'P' seem like unstop. New Ps was introduced into the marketing scene in order to face up into a highly competitively changed environmen [1] Marketing mix has dominated on the traditional models and methods of marketing management such as Alderson's Reliability Functionalism method beside other systematical methods and also on the Parameter Theory

that was developed by Copenhagen University in Europe. The new methods such as Production approach, Task approach and Geographic approach faced with the same problem too. Only a few models could protect themselves against 4Ps. marketing mix indicates the main activities of marketing managers. After choosing the target market, marketing managers should prepare a systematic program to sale the customers theirs products or services and then create long term relations [3].

Product: Product includes commodity, service, idea, place, individual and whatever is suggested to sale in a transaction. This aspect of marketing mix (product) embraces the designing, packing, physical features and any services related to it, for example free delivering. Therefore we can see the product as a combination of different elements that everyone has contribution in success [4].

Product includes whatever the customer wants to get it to meet his/her needs. In fact through purchasing a product, the consumers do not purchase the physical features of the product, but they buy something that removes their needs [5].

Promotion: Promotion consists of every activity that marketing consultants do to give the customers and organizations the information about products and encourage the potential customers to purchase the products. Promotion has many forms and procedures such as personal sales, TV advertisement, coupon shops, billboards, magazine proclamation and media's advertisements. This is why somebody pays money to advisor who advises about jobs or experiences and etc. Advisors decide which method is better to success [4]. Marketing communication(relations) is advertisement, sale persons, public relations, packing, sale and any shape of message that a company send to outside through its products. Generally, communication seeks to inform the consumers about facts of products and provoke searching information about product and create the concern or interest in product and advise others to consume the product or satisfy purchasing or other effective ways that influence the relevant groups. The best procedure to select the message of marketing is to consider the situations and circumstances. Preparing an efficient message requires deep understanding of the concepts, words and symbols by the target consumers and needs the correct knowledge of consumers' perceiving process.

Price: Price refers to allocating a regulation or expense that consumer should exchange to reach the offerings. For example, when you are represented as a mark to labor market, the value is allocated to that commodity (your labor) is called wage. It is difficult to determine the value or price of a commodity, but many actions should be taken related to market conditions and what people like to pay for it [5].

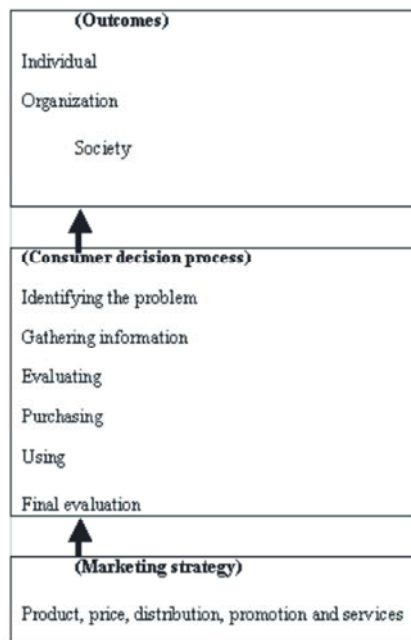
Price is amount of money that someone should pay to be able to use a product. Economists most often assume lower price results in more sales. Nevertheless, price sometimes is considered as a specific sign of quality in the consumer's mind. When the price of a product is very low, the consumer supposes the product has no quality. In the mind of a customer, the price of a product equals with the expenses or cost is spent to produce that product. In the view of consumer, commodity cost or expense is whatever the consumer should pay to obtain the privilege or right of using a product or be owner of it. [5].

Place: Place refers to consumer's ability to access a product in the proper time and place. If your resume as a trade mark is not sent to employment web site where an employer searches it, no guarantee will be to look at it even if you as a mark are better than the other marks sending to this site. This process is related to distribution channels and includes many companies activating to deliver their products to consumers. This channel for clothes or electronics includes local retail and sale locations such as retail places in World Wide Web site. They attempt to market amount of the products with the correct ways and in proper time [4].

Distribution means existing a commodity or product in the conditions that the target customers can purchase it. It is obvious that proper distribution of product is essential to success in business. Only in rare cases, the customers take trouble to purchase a product with a certain trade name and most of the time they relay on the existing and available trade names [5].

Consumer's Behavior and Marketing Strategy: Keelson and Brakeman at their book "Consumer Behavior" stated that consumer's behavior includes the activities that individuals engage using the actual or potential market items such as products, services, ideas, shops or stores environment to do those activities. Also Hawkins recognizes the consumer as a decision making unit that might be individual, family, organization or company. Consumer through gathering and processing

information consciously or unconsciously tries to reach satisfaction and improving life. Michael Solomon [6] Consumer Behavior fourth Edition consumer's behavior is considered as a new subject of marketing area. The first book of this area was published in 1960, but it dated back to many years ago. For example it can be pointed to 1950 when Freud's ideas were used by marketing consultants. Consumer behavior is extremely debated and it embraces individuals and what they buy, why and how purchase, marketing, marketing mix and market. Willkie and Solomon defined the consumer behavior as the emotional, mental and physical activities that people do at the time of choosing, buying, using and throwing away the commodity or services to meet their needs and willing. Other definitions explain the consumer behavior as the activities are performed directly to obtain, consume and throw away the products or services. These activities include decision process before and after the activities. All the strategies and tactics of marketing are based on the correct and implicit believes of consumer behavior. The success is likely when the decisions are made based on the explicit assumptions theories and researches rather than on the implicit believes and ambiguities. Therefore the knowledge of consumer behavior can be considered as the important competitive advantage that minimizes the wrong decisions. Organizations must give specific value to their target customers to survive in the competitive environment and create more benefits to this group of their customers than their competitors.



Marketing Strategy and Consumer Behavior

Marketing strategy is formulated in mixed term. It means that the features of product, price, communication, distribution and services are determined in order to create the better and more value and benefits for customers. Sets of the features are known as comprehensive product. Smart marketing consultants not only pay attention to sale but also seek to satisfy the customers because satisfied customers bring more benefits in the long term. As for individual, the process causes the individual removes some needs, spends some expense, creates or changes attitudes and change behavior. In the society, marketing process influences generally on the economic growth, environment pollution, social problems (e.g. diseases result of smoking or using alcohol), social benefits (e.g. improving food and education) and on the combination of positive and negative factors. These individual and social effects are not always in benefit of individuals or societies. Therefore developing and applying the consumer knowledge embraces many moral concepts too [5].

Behavior of Organizational Buyers: Decisions for purchasing are often logical or economical. Business or organizations are composed of humans and purchasing decisions are made by humans not organizations. However the organizations' responds to loyalty programs is just like the individual customer respond. From many aspects, marketing relation with organization purchasers includes the same principles dominate on individual's perceptions, for example color and visual attractions affect on organizational buyers. Of course, organizations do not include just individuals but every organization creates its regulations and culture that influence on the people who work there. Therefore it is necessary to recognize the superior features of organizations that affect on their purchase behaviors. Organizations identify their priorities of purchasing. They have the memory of buying and form their purchasing behaviors base on their perceptions, information process and experiences. Culture of organization creates relatively stable patterns in proper time, situations and certain conditions [5].

Research Methodology: This study has used the measurement- prescriptive method and it is application research. The library and field method are used to gather information and information is gathered from books, foreign and inside thesis and papers too. This study used Lickert's Spectrum to encode the items of questionnaire. Participants are Kaveh industrial city companies located in Saveh city.

This study has used the simple probability sampling method. This method of sampling follows the equal chance principle to choose the members of population to be membership of sample. It is based on that all population has similarities and is homogenous. There are three methods to choose the sample subjects from population: 1- using lottery 2- using random numbers Table 3- using systematic method. This study has used lottery method [7, 8].

As for sample size the following relation is used:

$$n = \frac{Nz^2 pq}{(N-1)e^2 + z^2 pq}$$

N : Population size

n : Sample size

p : Ratio in population

q=1-p

e : Predetermined relative error

z : Amount of standard normal distribution that is determined regarding to confidence level

We suppose p equals 0.5 because do not know p amount. Therefore maximum sample size is obtained. By calculation, the amount 110 is obtained for sample size. Price fluctuation, product functions, product distribution channels and product promotion procedures as four elements of marketing mix are independent variables and consumer's behavior is dependent variable. Regard to the distance within ranks is considered equal, test t has been used to test each hypothesis in order to support or reject each hypothesis. Also Freedman's test is used to rank and classify the marketing mix elements.

Respect to the distance within ranks is considered equal, test t has been used to accept or reject hypotheses. In this test the practical and theoretical average are compared. The theoretical average is the average of codes allocated to every item and equals to 3. If the observed average is bigger meaningfully than the theory average, the researcher's hypotheses will be supported.

Test t results of hypotheses

Hypothesizes	Sample number	Sample average	Sample standard deviation	Test statistical value	Freedom degree	P value
First hypothesis	352	46/3	822/0	931/78	351	0
Second hypothesis	528	13/4	830/0	27/114	527	0
Third HY	264	16/4	654/0	16/103	263	0
Fourth HY	44	27/3	167/1	702/58	439	0

Regard to test t results, the meaningful level of factors has been 0.00 that is less than 0.05. Since the average of observations is meaningfully bigger than 3, all hypotheses are supported. Now regarding to Freedman's test, the ranking of marketing mix elements affect on behavior s of industrial electrical heaters consumers is as below.

Freud's test results

0	264
Chi-Square	358.375
Freedom degree	3
p-value	.000

Ranking results base on the ranks averages

Hypothesizes	Average of ranks
First HY (price)	2.02
Second HY (product)	3.28
Third HY (distribution)	3.05
Fourth HY (promotion)	1.65

As you see the product has the most effect on consumers' behaviors and distribution is in the second place for influencing and price and distribution respectively are in other ranks.

CONCLUSION

According to Freedman's test, the ranking of marketing mix elements are: product, distribution, price and promotion respectively. Through using the diagrams and tables, the following results are obtained. Regard to statistical average of data of first hypothesis questions, the price is more significant than competitors, so it is recommended to pay attention pricing the products relative to other competitors' price and it must be tried to reduce expenses by increase productivity in production process. You should increase the output to be able to compete with the competitors related to pricing that it can be converted to a competitive advantage and result in increasing sale and profits. The statistic average of data of other questions at this hypothesis is equal and has

the same significant. According to study the priorities of product items are: product quality, product lifetime, product material, electrical insulating, post purchase services and trade name respectively. As a result the producers must consider the quality of raw materials at time of purchasing and they should take into account the customer expectations and safety of their products. Data statistic average has represented the priorities of distribution as: on time delivering, availability and delivering procedure respectively. Therefore the manufacturing factories should have planning to deliver the products to customers on time. According to statistic data results, it can be stated that the street advertisement has very less effect. Contrary, using the specialist vendors and their relation with customers play important role in promotion. For having more sales, the budgeted expense for street advertising should be reduced and expenses for vendors and advertisement traveling by specialist vendors must be increased in the planning. Respect to above results it is recommended to pay attention to competitors pricing in the pricing process and it should be tried to decrease expenses and enhance outputs by increasing productivity to be able to compete with competitors associated with pricing that it can be converted to a competitive advantage and result in increasing sale and profits. The statistic average of data of other questions at this hypothesis is equal and has the same significant. The producers must consider the quality of raw materials at time of purchasing and they should take into account the customer expectations and safety of their products. Therefore the manufacturing factories should have planning to deliver the products to customers on time. For having more sales, the budgeted expense for street advertising should be reduced and expenses for vendors and advertisement traveling by specialist vendors must be increased in the planning. Regarding to product has the most effect on consumer behavior, so it is better the manufacturers consider and pay attention using raw material to produce high quality and safety products. Also distribution possesses great

effect, so it is recommended individual who is going to open manufacturing factory of industrial electrical heaters to establish the factory near the industrial city. Since on time delivering is critical for many great companies, it is suggested to produce and deliver the heaters in proper time and place by correct planning and using the skilled team. As for advertising, it is recommended to use the specialist people. Through creating bilateral relationship, the producers can advise the consumers considering store charge for more important heaters and when the store charge minimizes, order the producer to make desired heater. By this way the producer can produce the product through correct planning and consumer can prevent production line halting result of unavailability of this product.

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