

An Investigation into the use of the Marketing Mix in the Food and Beverage Industry in Grahamstown, South Africa: An Exploratory Study

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Abstract

Investigative research was conducted in the Grahamstown-West district's food and beverage industry to investigate the use of the marketing mix by existing businesses in attracting customers. The motivation behind this study comes from our first-hand encounters and transactions of food and beverage outlets over our time in Grahamstown. From this, an interest in the day-to-day interactions and operations of local food and beverage outlets developed and we grew curious in finding out and exploring how this industry uses the extended marketing mix (more specifically the four P's) to maintain a firm customer base and potentially acquire the student market. A questionnaire was used to collect data from selected businesses to understand their use of the marketing mix elements in their operations. The food and beverage industry within Grahamstown is highly competitive, where existing business need to have good variety in their offerings, aligned their prices to their desired target market, incorporated advertising strategies to their operations, and looked to the location and the accessibility of their business as a potential competitive advantage.

Keywords: Marketing, Marketing Mix, Food and Beverage.

JEL classification: M3, M31.

1. Introduction

Within the first three years of operation, over sixty percent of restaurants fail and collapse with independently owned restaurants failing in larger numbers than the food and beverage businesses (Umeze and Ohen, 2015, p.3). Management within the food and beverage industry fail to realize the need for a specialized set of marketing mix strategies (Umeze and Ohen, 2015, p.3; Weinreich, 2016, p.4). This study explores the food and beverage industry and investigates how these businesses use the marketing mix elements in their daily operations. For the purpose of this study, the food and beverage industry included all businesses primarily engaged the production of meals, snacks, and the sale beverages to customers for the immediate consumption either on or off the premises (Weinreich, 2016, p.4). The factors that customers take cognisance of in making their final consumption decisions is embedded in the marketing mix, which includes: *Product, Price, Place, and Promotion* and which can be extended to services by including: *People, Process, and Physical Evidence* (Jain and Han, 2012, p.1). This exploratory study contributes to the field of management as it provides market entrants, as well as existing enterprises, with a gauge on the elements of the marketing mix and how these are incorporated in the local food and beverage industry. The results of this study will add value by facilitating restaurants and any entities within the food and beverage industry in their exploration of customer needs using the marketing mix methodology. Furthermore, the study

seeks to inform business owners on the best practices for utilizing the four P's of the marketing mix to reach local consumers, such as students or local residents, effectively.

2. Literature Review

The concept of the term “marketing mix” was first used by Borden in 1953 (Van Waterschoot and van den Bulte, 1992, p.83), but wasn't commonly used until McCarthy (1964) proposed four strategies, all starting with the letter “P” that a company must incorporate to successfully market a product. These four P's as we know them today are product, price, place, and promotion (Jain, 2013, p.24). The “cost” elements of the mix are product, place, and promotion whereas the price element is the “revenue earner” for an enterprise (Jobber, 1995, p.326). This approach only allowed for the marketing of a product, and a necessity developed to include the marketing of services (Goi, 2005, p.6). This need came about because services are different from products in that they are intangible, inseparable, heterogeneous, and perishable (Goi, 2005, p.6). Booms and Bitner in the early 1980s answered this question and included an extended marketing mix for services that included people, the physical evidence, and business processes. These additional P's have been added as today's marketing is far more customer-centric and businesses in the service industry need to look at their customers as a potential source of competitive advantage (Jain, 2013, p.24). The extended marketing mix will be explored through various journal articles to investigate and highlight the strategies needed to effectively incorporate each element into the service industry. The extended marketing mix elements to be investigated in this literature review include: Product/Service, Price, Place, Promotion, People, Process, and Physical Evidence.

The research that was conducted sought to discover how businesses within the food and beverage industry, draw their customers through their product offerings. Product offerings within the food and beverage industry move quickly through their life cycle phases as there is always a tremendous shift towards more convenient and fresh quality foods bearing the need for businesses to manage the elements involved in their products (Palekar, 2009, p.3). The product elements that can be controlled by a food and beverage business include its brand name, variety of its offerings, features and its packaging, and presentation of offerings (Madiba, 2012, p.74; Issakova, 2014, p.13; Jain and Han, 2012, p.7).

Madiba (2012) describes a brand as a product or service made distinctive by its positioning relative to the competition, and by its personality in the target market context. Organisations use brands to differentiate their products from those of their competitors and encourages customers to purchase offerings because they provide them with the benefits with which they need (Madiba, 2012, p.75; Jain and Han, 2012, p.7). Businesses within the food and beverage industry have established brands, but need to look to developing a strong corporate brand or brand philosophy that tells customers what they are all about and build customer loyalty around this image (Issakova, 2014, p.13; Jain and Han, 2012, p.7). This will provide differentiation from competitors in the market which will enhance a business's perceived quality and lead to increase purchases (Issakova, 2014, p.13; Koske, 2012, p.24).

Grahamstown is highly competitive when it comes to the food and beverage industry and this competition, accompanied by demanding customers, contributes to an increase in product variety and service categories offered by enterprises in the food and beverage industry (Madiba, 2012, p.74; Nguyen, Phan and Vu, 2015, p.212). Variety and the introduction of new products within the food and beverage industry is crucial and refers to the different number of items that is included in one's offerings and menus (Madiba, 2012, p.74; Lin, 2011, p.3; Palekar, 2009, p.3). Owners of food and beverage outlets must realise that an increase in product variety, however, does not guarantee an increase in profit (Madiba, 2012, p.74). This is because product variety is influenced by the constantly changing requirements of customers and presents a

challenge to owners of businesses in the food and beverage industry to manage their product varieties in line with these changes. Product offerings have different features or elements that make an offering more enjoyable by customers and have a major impact on the perception of products and services and its relative advantages (Islam and Rahman, 2015, p.16; Issakova, 2014, p.20). Marketers within the food and beverage industry need to ensure that these features are customised to meet customer's needs and expectations and lead to repeat purchases (Madiba, 2012, p.74; Islam and Rahman, 2015, p.18). Businesses that provide quality features through their offerings provide uniqueness to their customers by creating a strong differential from competitor's products and services which allows businesses to create or maintain their competitive position (Issakova, 2014, p.20; Palekar, 2009, p.3). Marketers within the food and beverage industry need to develop effective packaging for their offerings in a manner that will perform functions such as promotional, protective and user-convenience (Madiba, 2012, p.76; Jain and Han, 2012, p.9; Dhurup, Mafini and Dumasi, 2014, p.2).

Sellers perceive price, as the amount of money, or cost, that is charged for a product or service whereas buyers perceive price as the cost of keeping customers and getting new ones (Islam and Rahman, 2015, p.18; Dhurup, Mafini and Dumasi, 2014, p.3; Madiba, 2012, p.78). Goods and services must be priced in a way that achieves profitability and satisfies customers, whilst adapting to various barriers or constraints such as competitors (Dhurup, Mafini and Dumasi, 2014, p.3; Jain and Han, 2012, p.13). To this extent, most businesses in the service sector use promotional tools, such as price, to motivate the sale of services and products (Dhurup, Mafini and Dumasi, 2014, p.2; Yoo, Donthu and Lee, 2000, p.198). Pricing within services is complex and difficult to measure, unlike products in which the final price depends on the raw materials, distribution, and the cost of production highlighting the importance of price and the fundamental role it plays in the extended marketing mix of the food and beverage industry (Islam and Rahman, 2015, p.18; Dhurup, Mafini and Dumasi, 2014, p.3).

Pricing strategies play a crucial role in the marketing of products and services and are used to support their quality in the market (Jobber, 1995, p.326; Dhurup, Mafini and Dumasi, 2014, p.3). Customers expect a basic level of service when they pay a standard price, but expect a higher level of service when charged a premium (Madiba, 2012, p.78; Nguyen, Phan and Vu, 2015, p.207). Businesses within the food and beverage industry, when setting a price, need to consider that overcharging in an industry (which leads to lost sales) or undercharging (which leads to a lost margin) can dramatically affect their long-term profitability and survival within this industry (Jobber, 1995, p.326; Dhurup, Mafini and Dumasi, 2014, p.3). Companies may use a variety of pricing strategies (low, high, or follow) available to them after conducting careful research and planning into what the current market offers as well as what goals the business has to ascertain (Madiba, 2012, p.78; Issakova, 2014, p.21; Dhurup, Mafini and Dumasi, 2014, p.3).

Price discounts are prices that are marginally discounted when necessary for specific groups of customers in order to increase customer base, reward loyal customers, and encourage more sales (Jain and Han, 2012, p.13; Dhurup, Mafini and Dumasi, 2014, p.3). This sensitivity of pricing to different market segments is evident in a Grahamstown context, with one segment viewing high prices as giving up more resources (mostly students), and other segments viewing high prices as a signal for quality (Dhurup, Mafini and Dumasi, 2014, p.3; Nguyen, Phan and Vu, 2015, p.207). One effective discount strategy in the food and beverage industry is quantity discounts which encourage customers to purchase larger amounts of the product (Madiba, 2012, p.79; Issakova, 2014, p.22). This type of discount allows the seller to obtain a larger share of a buyer's business and attract more customers and can be effectively incorporated within a Grahamstown context (Madiba, 2012, p.79).

The place element of the marketing mix refers to the place or location at which customers can buy products and how that product reaches out to the desired target market (Umeze and Ohen, 2015, p.3; Issakova, 2014, p.28; Nguyen, Phan and Vu, 2015, p.207).

Businesses within the food and beverage industry need to develop sound distribution channels in line with their location to provide accessibility to customers to send the right product or service to the right customer at the right time (Mason and Staude, 2007, p.244; Islam and Rahman, 2015, p.18). Place, price, product, and promotion need to be developed in conjunction to meet the needs and expectations of their target market (Madiba, 2012, p.81). Place, or location, is critical in ensuring that customers receive the products or services that they need and plays a vital role in the maximization of consumer satisfaction (Madiba, 2012, p.100; Nguyen, Phan and Vu, 2015, p.207). Owners of businesses in the food and beverage industry need to view their setups from their customer perspective and work out how frequently it would be visited by customers (Islam and Rahman, 2015, p.18). In the case of Grahamstown, the most desirable location is as close to the university as possible as it increases your chances of maintaining a steady stream of revenue (Maboja, 2012, p.1; Nguyen, Phan and Vu, 2015, p.207). Restaurants near the university already have, or can look to, the student population as a potential customer base if their elements of the market mix are aligned to the needs of students (Reimherr, 2013, p.1).

Place can also refer to the accessibility of a service by potential customers and empirical evidence confirms that providing convenient access to customers significantly affects their purchasing of food and beverage products (Madiba, 2012, p.80; Nguyen, Phan and Vu, 2015, p.207). Services are difficult to separate in their entirety, and this inseparability complicates the passing of the benefits of the service to customers in different locations (Madiba, 2012, p.80). According to Madiba (2012), the inseparability of a service implies that one person cannot produce a service at one place and make it available to customers in another place. Fast-food outlets such as Steers, McDonald's, and Pizza-Hut incorporate delivery service into their service marketing mix to further strengthen and attract new customers which in turn generates sales (Reimherr, 2013, p.1). Accessibility is an important element of achieving a competitive advantage through a business's "place" and businesses can look to a combination of sit-down and delivery/takeaway options to better aid accessibility of their business to customers.

Through the use of the internet, businesses are able to distribute products and services in new and innovative ways known as direct marketing; one such method is known as micro-blogging (Palekar, 2009, p.7; Issakova, 2014, p.26; Jain and Han, 2012, p.16).

Micro-blogging through Twitter to market products and relay information in real time is becoming increasingly popular and can be adopted by businesses in small towns. An example would be a coffee shop telling their twitter followers that coffee will be half price during lunch time, which is a time where customers most need a "pick-me-up" and are more likely to respond at this time (Palekar, 2009, p.7; Issakova, 2014, p.26). Businesses in the food and beverage industry located nearby their customers are able to lower their distribution and outreach costs and reduce the risk of competitors imitating their products, this is their competitive advantage and should be exploited (Madiba, 2012, p.82; Yoo, Donthu and Lee, 2000, p.199).

Promotion or marketing communication involves communication by marketers in order to inform persuade or remind customers about products or services that are currently available on the market (Madiba, 2012, p.86; Nguyen, Phan and Vu, 2015, p.207; Jain and Han, 2012, p.17). With the growing intensity of competition between luxury restaurants and take-away establishments in the food and beverage industry growing, it has become increasingly challenging for businesses to attract customers with new and innovative promotions (Palekar, 2009, p.5; Jain, 2013, p.24). The integration of technologies such as television and digital media allow businesses to come up with more innovative promotional approaches and for the

purpose of this investigation, the advertising and sales promotion elements were explored in order to highlight the importance of promotional strategies to the local food and beverage industry (Palekar, 2009, p.5; Nguyen, Phan and Vu, 2015, p.208)

To remain competitive within a particular industry, focus is placed on individual businesses to develop brand awareness and customer loyalty. This is done through effective advertising strategies to avoid relying solely on pricing structure as a way to retain customers (Kandampully and Suhartanto, 2000, p.346; Madiba, 2012, p.86; Buil, de Chernatony and Martínez, 2013, p.117; Jain and Han, 2012, p.17; Yoo, Donthu and Lee, 2000, p.200). Businesses within the local food and beverage industry need to adopt an original and innovative repetitive advertisement strategy to increase the probability that a product will be considered in a consumer's choice thereby increasing familiarity and shaping customers perceptions (Madiba, 2012,p.86; Buil, de Chernatony and Martínez, 2013,p.117; Yoo, Donthu and Lee, 2000,p.200).

Sales promotion includes a set of marketing activities that companies use in order to set short-term increases of product sales (Issakova, 2014, p.27; Buil, de Chernatony and Martínez, 2013, p.117; Yoo, Donthu and Lee, 2000, p.200). Sales promotion is a key ingredient in many marketing campaigns since it consists of a diverse collection of incentive tools (Madiba, 2012, p.88). These incentive tools are used to recruit new users, reward faithful customers, and ultimately increase the purchase rate of temporary customers, and can either be monetary or non-monetary (Madiba, 2012, p.88; Buil, de Chernatony and Martínez, 2013, p.118). A monetary promotion which is based on utilitarian benefits and includes price discounts and money off coupons are effective in generating immediate financial gain but at the expense of eroding brand perception, quality, and image in the long-term (Buil, de Chernatony and Martínez, 2013, p.118; Yoo, Donthu and Lee, 2000, p.200; Madiba, 2012, p.88). Owners of businesses today need to investigate to new long-term, and creative ways to promote their products. Strategies may include incorporating non-monetary promotions which is based on hedonic benefits and includes loyalty programmes, free gifts, free samples, and contests which are becoming increasingly important in promotional strategies as they can positively influence the perceived quality, brand associations, and equity in the long-term (Buil, de Chernatony and Martínez, 2013, p.118; Yoo, Donthu and Lee, 2000, p.200; Issakova, 2014, p.27; Madiba, 2012, p.88). Businesses in the food and beverage industry look to weekly sales promotion strategies to encourage a constant stream of students who are looking for good value at low prices (Maboja, 2012, p.1).

According to van Vliet (2013), *people* are any internal or external stakeholder to the company, from employees, to customers, to investors. As mentioned before, customers are becoming more important to the daily operation of businesses, more specifically in the food and beverage industry, whose core purpose is the provision of a quality good and/or service. Bhasin (2017, p.1) and Ivy (2008, p.290) agree that *people* are one of the most important elements of the marketing mix in the modern-day industry. Without the correct people working in the correct place, the product will not be sold. Bhasin (2017, p.1) explains the importance of people, in the marketing mix, and how it is not only front-line staff that are under the spotlight, but employees higher up in the business hierarchy, who are just as important as they give the lead to other employees. Businesses in the food and beverage industry do not generally hire large numbers of employees, and as a result of this, managing them effectively and integrating them into the overall marketing strategy could be the difference between having regular customers or having customers never visit your business again.

According to MarketingMix (2017, p.1), the *process* element, of the extended marketing mix, are the systems and processes put in place for everyday tasks to run smoothly in a business. Rafiq and Ahmed (1995, p.7) refer to Booms and Bitner's (1981, p.47) 7P framework, where

they explain *process* as being the procedures, mechanisms, and flow of activities by which the good or service is acquired. This step, although important in any business scenario, is crucial in an industry such as the this, as effective and efficient processes are what drive the business towards success. Having systems in place to ensure that a customer receives what they order in a timely fashion could mean the difference on them becoming loyal, long-term customers or not. Ivy (2008, p.7) notes that the process of obtaining a meal at a self-service, fast-food outlet is clearly different from that at a full-service restaurant. Marketers need to understand the nature of the business they are operating in, before they engage with customers to ensure that they experience a positive encounter.

The final element in the extended marketing mix is “*physical evidence*”, which are the tangible elements a company adds to an otherwise intangible product to differentiate oneself from other businesses (Bhasin, 2016, p.1). The physical evidences a company may include are, but are not limited to, things such as creating an ambient environment through lighting, décor, and appropriate music. It could be offering additional services such as free Wi-Fi for customers attending the restaurant for a meal. The Oxford College of Marketing (2013, p.1) adds that the physical environment of the business they are engaging with has to feel right, and be in line with their expectations. Having a high-quality business, and offering an extensive selection of products and/or services, with a poor-quality look and feel, sends the wrong message to the potential customer (Morrison and Beverland, 2003, p.79). Morrison and Beverland (2003, p.80) believe that in the case of the food and beverage industry, a restaurant that offers exotic dishes at high prices, but is dirty and in an arguably unsafe area sends mixed signals to the customer.

3. Problem Investigated

The food and beverage industry is a highly competitive industry, and within Grahamstown this is no different (Weinreich, 2016, p.4; Maboja, 2012, p.1; Palekar, 2009, p.3; Dhurup, Mafini and Dumasi, 2014, p.2). Many businesses compete with one another daily in order to ensure that customers return to their enterprise (Weinreich, 2016, p.4; Maboja, 2012, p.1). Researchers have found that marketing is a principal factor in the success or failure of entities within the food and beverage industry where elements of the marketing mix are incorporated on a daily basis to ensure survival (Perry, 2014, p.34). The challenge for businesses within the food and beverage industry to understand how customers respond to the extended marketing mix. It is therefore important to analyse the location of an organisation and the skills of its employees to deliver an offering to customers (Madiba, 2012, p.8). It was against this background and the ever-increasing competitive nature of the food and beverage industry that led to the formulation of this topic papers title.

4. Research Objectives

An investigation into the use of the marketing mix, in the food and beverage industry, in Grahamstown, South Africa.

- An investigation into how the food and beverage industry attracts customers through their product offerings.
- Investigation into the pricing strategy of the food and beverage industry.
- An investigation into the effect of location on the food and beverage industry.
- Investigation into the promotional strategies of the food and beverage industry.

5. Research Methodology

The unit of analysis for the study constituted all businesses within the food and beverage industry, located in Grahamstown. Quantitative data analysis served as the primary research paradigm, with a qualitative analysis conducted for some of the data collected, which required

more interpretive analysis than what could be offered through statistics and numbers. A quantitative data analysis was used to explore the incorporation of marketing mix strategies within the food and beverages day-to-day operations to gain insight into how businesses in this industry attract customers. Due to the size of the city and the limited number of potential respondents a small sample size was necessitated. It became clear that not all businesses would be willing to participate in the research investigation. As a result, a sample size of thirty (30) businesses was believed to be sufficient for the purposes of this study.

Quantitative data collection refers to the gathering of either continuous or discrete data (Saunders, Lewis and Thornhill, 1997, p.74), which then needs to be statistically analysed and interpreted in order to gain insight and meaning out of what has been collected during the data collection period (Saunders, Lewis and Thornhill, 1997, p.287). Due to the nature of our research outcomes, convenience sampling was deemed most appropriate to the outcomes. This study was conducted primarily through the use of questionnaires, including six (6) basic demographic questions, as well as twenty (20) 5-point Likert scale related to each element of the marketing mix, with an open-ended, follow-up question in each section (Adams and Cox, 2008) to relevant candidates in the food and beverage industry.

In the collection process a list of all participating food and beverage industries within Grahamstown was drafted to act as a checklist. The questionnaires were handed out individually to each food and beverage outlet whereby the general manager, or owner, was approached. Each general manager, or owner, of the respective food and beverage outlet would either fill the questionnaire in on the premise or give a desired time for collection. This means of data collection proved to be successful in the end with a strong response rate being achieved.

In terms of statistical analysis, a total of thirty-five (35) businesses were contacted during the data collection, however, only thirty (30) (return rate = 85.71%) of those businesses responded with valid data. Data analysis consisted of both qualitative and quantitative analysis, as the study was found to contain aspects of both these research paradigms. In analysing the data collected, the researchers made use of the Statistical Package for the Social Sciences (SPSS) ,and Microsoft Excel. Microsoft's Excel was used to analyse the demographics section of the research instrument. Through use of the SPSS program, descriptive statistics was used for data analysis.

The first tool adopted was that of frequency tables, which indicated respondents' choices in the Likert Scale sections of the research instrument, organising the data into the corresponding choice options, giving the researchers a holistic view of the data collected, and pie charts to assist the analysis of data, as they were effective in illustrating the trends that were prominent in the study's data collected.

A valid measuring instrument is described as an instrument that is doing what it is intended to do, and measuring what it is supposed to measure (Madiba, 2012, p.120). Madiba (2012, p.121) refers to validity as the process of determining whether a survey's interviews or observations were conducted correctly, and are free of fraud or bias. The research instrument should be suitable to accurately measure what it is intended to measure and yield consistent results (Saunders, Lewis and Thornhill, 1997, p.287). Reliability refers to the extent to which independent administration of the same instrument consistently and accurately yields the same results under comparable conditions (Madiba, 2012, p.121).

The major ethical considerations that were taken in account are the issues of consent and anonymity of business owners in the presented research (Corti, Day and Backhouse, 2000). When presenting the relevant questionnaires and in-depth interviews to the selected businesses, a brief background and for the purpose of the study, the information required by the owner, and an informed consent form was presented before there was any exchange of information between both parties. The individual was then made aware of what the information will be used

for, and that their identity will be kept anonymous. It was fully understandable that some companies may not be willing to discuss their marketing and pricing strategies for fear of other companies using it, and thus participation was voluntary. Furthermore, participants were informed that feedback of the results will be made available to them. All data collected will be stored with our supervisor for a period of up to seven years.

6. Results

The respondents were initially asked to indicate the length their business had been in operation for, with answers ranging from two weeks to seventy-eight years. The information gathered showed an overall average of 11.25 years, indicating a mature market.

6.1. Product Analysis

In the results, the product element was explored through 4 Likert Scale questions. The intention of these questions was to investigate the first objective of our research. A strong 23 out of the 30 (77%) businesses investigated showed that having product variety in your offerings attracts customers to the business. Furthermore, 50%, or half, of the respondents strongly agree that their offerings meet their customers' requirements. The other half showed that not all their products met their customers' needs. Most businesses (96%) felt that the packaging and presentation of their products was effective with customers. The information gathered showed that the businesses name generally does influence customers' attraction towards the business with 90% of respondents agreeing. The remaining 10% of the respondents believed that their name did not significantly influence customer's choice. The overall combined results indicate that the majority of respondents (58%) feel that product variety, packaging and presentation, as well as the business name and its offerings influence customer's decisions to purchase at their organisation.

6.2. Price Analysis

The price component of the marketing mix was investigated in another 4 Likert Scale questions. This was to further investigate the second objective of our research. In terms of pricing discounts, it was derived that 53% of respondents strongly agreed that their pricing strategy allowed for discounts, however there were a number of respondents that indicated that their pricing strategy did not allow for discounts, with 17% disagreeing, and 7% strongly disagreeing. The following question's responses showed that most businesses respondents (97%) agreed that their pricing strategies employed were appropriate to their target customer market. The third question showed that having the right pricing strategy for their products was vital in maintaining, and potentially even growing their existing customer base. However, there were a small number of respondents who did not agree with this statement (17%). In terms of applying the business' pricing strategy to their products, there was generally a positive response (90%) indicating that the incorporation of these strategies increased their general sales. The overall information gathered for the price section indicated that majority significant number of respondents (73%) indicated that pricing strategies give room for a large customer base, leads to increased sales, allows for discounts, and shows that the pricing of offerings are appropriate to their desired target market.

6.3. Place Analysis

The four statements included in the place element relate to the specific location of the businesses, as well as their accessibility to customers. The purpose of this statement was to explore the third research objective. The results showed that 73% of the businesses investigated were satisfied that their offerings reached their target customer base through their various

distribution channels. Almost all businesses (97%) agreed that the location of their business aided in the level of customer accessibility. There was a single respondent who strongly disagreed with the statement (3%). The location of the business was indicated by most respondents (97%) that their location was important to their marketing strategy and their operational capabilities. Again, there was a single respondent who strongly disagreed with this statement (3%). The majority of the respondents (90%) agreed that the location of their business effectively covered their desired target market. There were a small number of respondents who did not feel this (10%). The combined results indicate that the majority of respondents in the study (92%) feel that the location of their business is important to their marketing strategy as it aids accessibility and covers their target market effectively through their distribution channels.

6.4. Promotion Analysis

Promotion relates to informing, influencing, or reminding customers about a product (Madiba, 2012, p.195). This construct included four statements. The purpose of these statements was to measure the fourth objective of the research, and the majority of the respondents (93%) agreed that their customers were informed about their product offerings through the influence of their various promotional strategies. Most respondents (93%) showed that they incorporated advertising in their promotional strategies, with two companies stating that they did not (7%). By applying promotional activities, most respondents (87%) indicated that there was a positive effect on sales. The information gathered indicates that 90% of respondents feel that applying promotional strategies to their operations influences their sales positively, and through adopting various advertising techniques, customers are aware of the various product offerings.

6.5. Organisational Objectives Analysis

Organisational Objectives is a combination of the individual elements of the marketing mix, and how the combination of these elements impacts the overall marketing strategies of the organisation. The results indicate that by incorporating specific strategies to the marketing mix, customers' overall needs are satisfied, with a 97% positive response rate. There was a consensus (100%) that application of marketing mix strategies resulted in an increased sales volume. Most respondents (97%) agree that by incorporating placement strategies to their operations, their product became more accessible to their customers. Participants, for the most part, indicated that their promotional activities resulted in better awareness of their business and products to their customer base, with a positive agreement response rate of 97%. The consolidated results indicate that the majority of respondents (82%) agree that the including marketing mix strategies resulted in a positive influence on their business operations and customers alike.

Through the course of data collection, additional qualitative findings were analysed, such as the additional factors that influenced the business service offerings.

The qualitative question asking what additional factors influenced the business's service offering revealed a trend among most businesses. This trend indicated that certain periods of the month and year influenced the food and beverage industry as a whole, whereby periods where students were more prevalent in the market, such as during Rhodes University semester times, made more of an impact on businesses than during vacation times. As a result of this, businesses within the food and beverage industry adjusted their overall marketing strategies to suit their current target market.

7. Discussion and Managerial Implications

When respondents were asked if they would move closer to Rhodes University if the opportunity arose, the majority of responses indicated that they would not. The primary reason was that most of the businesses investigated had already built up a strong customer base where they were currently situated, and moving could drive away local resident customers, and out of season could harm them more if they relocated closer to the University.

The overall results gathered from the thirty (30) respondents investigated showed the marketing mix to be a critical element in their business strategies, whether they were aware of it or not. When implementing the marketing mix in their strategy, the results showed that almost all businesses had a positive result, whether in more customers, higher revenue, or more overall awareness. This study shows that the marketing mix is important to businesses in the food and beverage industry, regardless of where they are located.

Several managerial implications arise from these results that suggest that businesses within the food and beverage industry should attempt to develop an effective marketing mix, with specific focus on the elements of product, price, place and promotion. Businesses operating within the food and beverage industry need to develop strong variety in their products to meet their customers' needs; develop a strong brand name and ensure the packaging and presentation of their offerings are effective in attracting customers. Pricing strategies that allow for discounts are recommended to develop a large customer base and increase sales which highlight the managerial importance of aligning prices to the desired target market. Managers within the food and beverage industry should be attentive to the positive effects applying promotional strategies such as advertising can have to their operations and must look to promotional activities to increase the awareness of their various product offerings. Lastly, managers in the food and beverage business need to look to their location in aiding the accessibility to their business and that they cover their target market effectively through the adoption of multiple distribution channels.

Conclusion

In conclusion, this study provides insight into the integration of the marketing mix elements in the food and beverage industry, and how these factors influence and attract their customers. The analysis confirmed the importance of the marketing mix in the food and beverage industry, in general and specifically within Grahamstown-West. This study provides a better understanding of the use of the marketing mix in the food and beverage industry. Specifically, the results showed that the minor elements, included in the 4 P's influence customers attraction to the food and beverage business.

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