

The Role of Price in the Marketing Mix

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Abstract: *Business in the 21st century is facing fierce competition among the industry players. Competition over market share and market growth becoming stiffer. Business organizations need to fight over limited market available. At the same time there are too many competitors that lead to customer have more bargaining power. This paper is focusing on the role of price and how it can contribute to the survival of business in the industry.*

Keywords: *Price, customer satisfaction*



Role of Prices

Every business plans to have a long run surviving period in the industry. They would do anything to ensure their product or services meet the satisfaction of the customers (M. F. Shamsudin, Razak, & Salem, 2018; Mohd Farid Shamsudin & Razali, 2015). This is because the business organization believe by meeting of what customer wants and needs will probably guarantee achieve the business goals. One of the important elements in marketing mix is price. Price literally is the amount that represented the value of the product or services (Kotler, 1966). A good business always came up with something unique from others in order to ensure they got something different to be promoted in the business (Kotler, 2017). There are several role of price in marketing mix which is important in order to gain win-win situation in the market.

The first role of price in marketing mix is to create first impression. Price will easily attract people to have a first impression toward the business product and services (Kumar, Scheer, & Kotler, 2000). The impact of price may provide the business with positive respond from customer. For an example, a business with branded product such like De Facto, they set a reasonable price match with their branded clothing. This is what makes De Facto still become a choice for many people until now. At the same time, they make sure that the cloth quality is at their best, they also study about the price of their rivalry to keep updated with the current business plan of others. Most of the people will value the price before the brand at first. In order to tackle the customer attention, the business had to put the price over other elements in doing marketing.

Price also can be used as one of differentiating factor among the customer to choose the product or services provided by the business organizations (Kotler, 1994). Price stands alongside with the business until it can be concluding as the special factors to be the reason why customer choose the product or services over the others (Kotler & Mantrala, 1985). For an example, Domino always gave a promotion and discounts to attract and appreciate the customer. This shows that Domino takes the price value seriously to maintain and enhance their business compared than other company. They decided to make the price value as their marketing power. The price might also be

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the factor that could bring the business either into pick performance or downfall. This proved that price can be the most differentiating factor for the customer choice.

Finally, by setting a price in the business it can fetches revenue for the organization. This is the main goal for each and every business to meet the profit from what they promote (Kotier & Rath, 1984). Every business got their own standard to meet the revenue and they focus more on the most effective price to set for their business (Sallaudin Hassan & Shamsudin, 2019). With the higher revenue a business organization can came up with new product or services that can meet the future people needs and wants (Razak & Shamsudin, 2019; M. F. M. F. Shamsudin, Esa, & Ali, 2019). The business revenue also can motivate the business to keep up with what they have plan and stand a thick chance for a long run survival. The company also can focus more on their upcoming plan using the profit gained from the past business and also provide the job opportunity for else since the business operation goes well.

In conclusion, the role of price plays an importance role in marketing mix. A big part of the company success come from on how the marketing department strive to study the right time and place to set the price in order to make the business valid and still got to compete in the industry (Kadir, Shamsudin, Nurul, & Mohd, 2020). The value of price set by the organization allow them to measure the growth level of their business. This common way will help the organization reach their standard with less stress because every details of the marketing plan will be disclosing to avoid any unwanted things to happen (Mohd Farid Shamsudin & Razali, 2015).

Price might also be being the main element in strategic marketing plan for some organization since it can easily attract the people at the first place (Mohd Farid Shamsudin, Ali, Wahid, & Nadzri, 2019). The organization need to keep updated with the people demand so they can set the price effectively than their rival (M. F. Shamsudin et al., 2018). Last of all, the role of price is really important in marketing mix as it can literally can change the perception on how people give their attention to get know more about the organization and indirectly will create a new group of customer due to the good marketing related with the price promotion (S. Hassan, Shamsudin, & Mustapha, 2019).

Price play important role for both business organizations and customer. Business organizations need to carefully determine their price strategy in order to satisfy customer (Aminuddin, Don, & Shamsudin, 2020). Customer satisfaction can only be achieved if the overall customer experience is positive after purchase or consume the products (M. F. ;Selina S. D. Shamsudin, 2016). Satisfied customer at the same time will tends to return for repeat purchase (Hamzah & Shamsudin, 2020). Such thing indirectly helps the business organizations to achieve market sustainability. There is many research (Bin et al., 2016) related to customer satisfaction and one of the thing that have been focused is price.

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