

# THE MARKETING MIX

# THE 4PS AND THE MARKETING MIX

- The 4Ps are the ideas to consider when marketing a product.
- They form the basis of the marketing mix.
- Getting this mix right is critical in order to successfully market a product.
- The 4Ps are:

Product

Price

Promotion

Place

# THE 4PS AND THE MARKETING MIX

If market research is carried out effectively, a company can plan :

- ⦿ a **promotion**
- ⦿ for the right **product**,
- ⦿ at the right **price**,
- ⦿ and to get it to their chosen market, in the **right place**.

# PRODUCT

- ⦿ A product can be either a good or a service that is sold either to a commercial customer or an end consumer.
- ⦿ A customer buys a product, and a consumer uses it.

# PRICE

- ⦿ No matter how good the product is, it is unlikely to succeed unless the price is right.
- ⦿ This does not just mean being cheaper than competitors.
- ⦿ Most people associate a higher price with quality, so you would expect to pay more for a Rolls Royce than for a Lada.

# PRICE

- For fast moving consumable goods (fmcg's) like colas, penetration pricing is usually used.



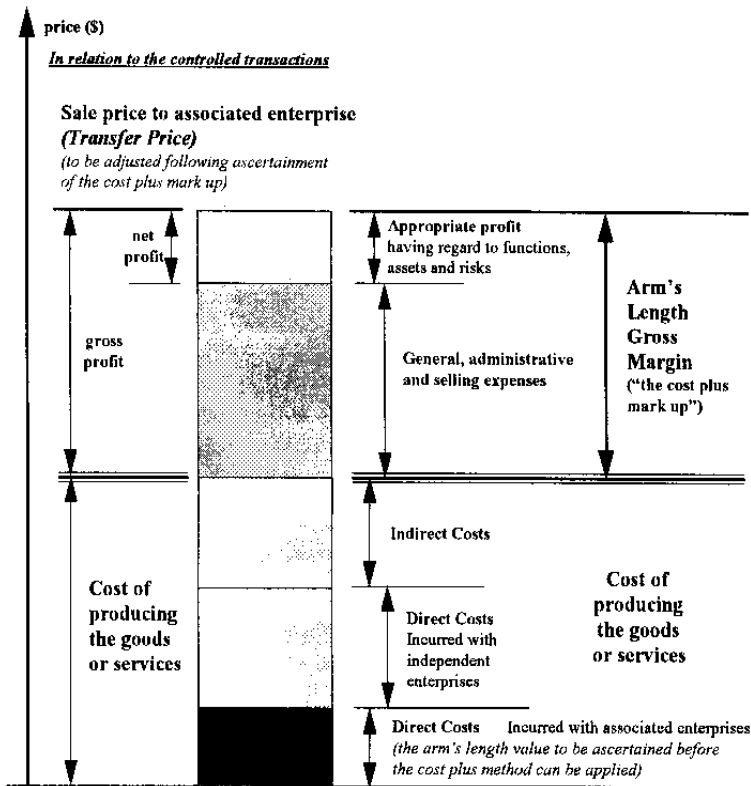
# PRICE

- ◉ As a rule, a producer of luxury or medical products will use skim pricing or premium pricing initially, in order to maximize its profits.
- ◉ It helps them to recover expensive research and development costs quickly.



# PRICE

## Cost Plus Method



- The simplest method of all is cost plus pricing, where a firm adds a profit mark-up to the unit cost.



# PROMOTION

- The main aims of promotion are to persuade, inform and make people more aware of a brand, as well as improving sales figures.
- **Advertising** is the most widely used form of promotion, and can be through the media of TV, radio, journals, cinema or outdoors (billboards, posters).



# PROMOTION

- ◉ The specific sections of society (**market segments**) being targeted will affect the types of media chosen, as will the cost.
- ◉ If you were a toy manufacturer, you might want an advertising spot during children's TV.
- ◉ If you ran a local restaurant, you might choose a local paper or radio.

# PROMOTION



- ❑ A small or local business would not usually advertise on TV, because it is very expensive.
- ❑ Sales promotion is designed to encourage new and repeat sales.
- ❑ Loyalty cards, free gifts, competitions and voucher schemes are the most popular.

# PROMOTION

- Companies use **sponsorship** and **public relations** to improve their image,
- financing sports
- the arts
- etc



# PLACE

- ⦿ Distribution channels are the key to this area.
- ⦿ A firm has to find the most cost-effective way to get the product to the consumer.
- ⦿ Direct marketing through catalogues, via a TV shopping channel and through the Internet have become popular, because the consumer can shop from home.



# PLACE

- Going through wholesalers and high-street retailers, however, is the most popular form of distribution, as that is still where most people shop.



# PLACE

- ⦿ The most important thing about marketing is to identify what the consumers' needs are.
- ⦿ To find out what these needs are, a firm's marketing department carry out extensive **market research**.

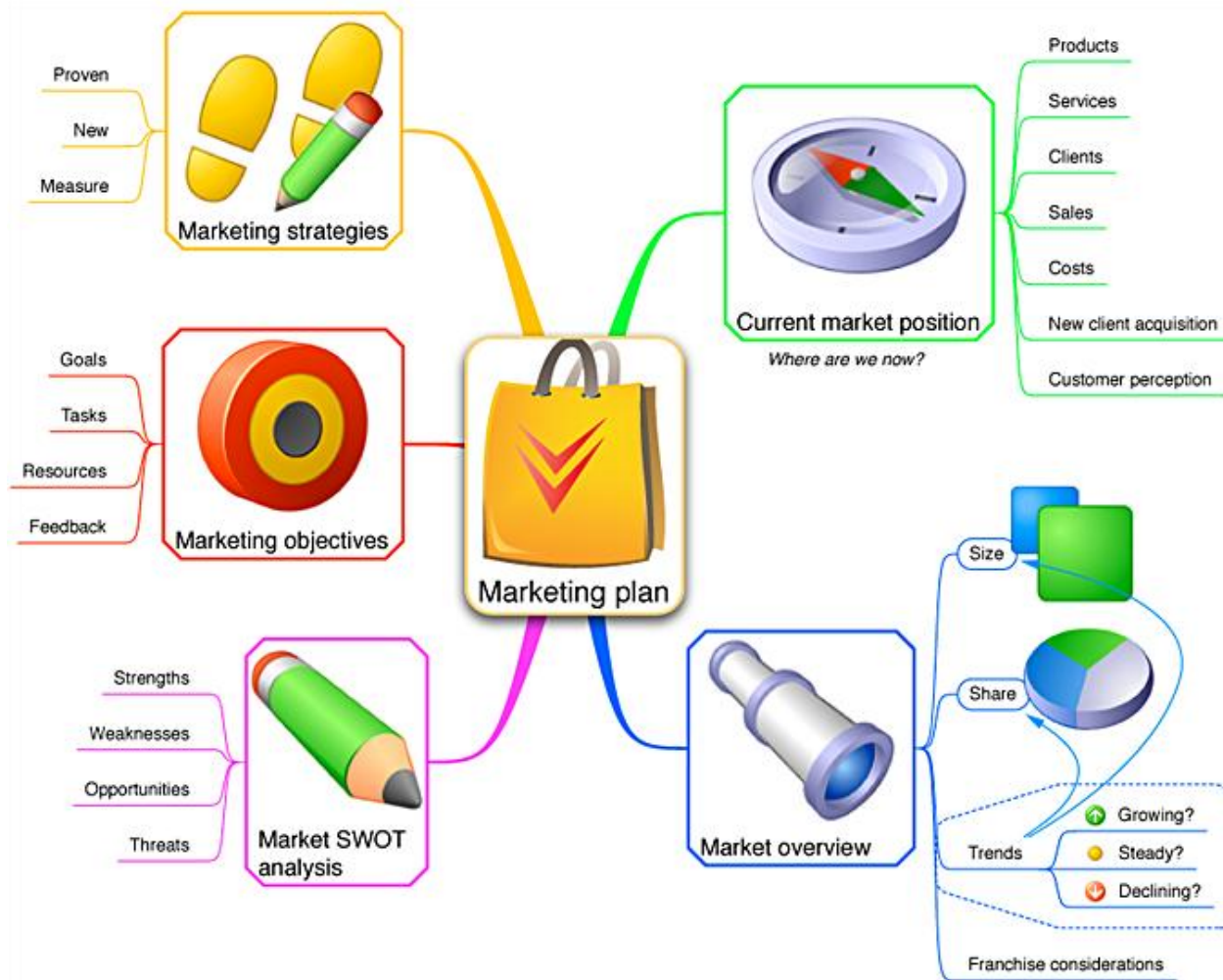


# THE MARKETING PROCESS

- ⦿ Gather information about the marketplace and then research consumers' needs.
- ⦿ Identify who its **market** is, and then put together a **marketing plan** based on the findings.
- ⦿ Use the right marketing mix finding the right balance in each of the 4Ps.
- ⦿ Review and adapt the plan when necessary.



# THE MARKETING PROCESS



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You should remember the following points:

1. Although marketing is consumer-orientated, the main aim to be **profitable**.
2. A good marketing manager will try to **differentiate** their product (ie make their product stand out against similar competitive brands).
3. Making it as easy as possible for the customer to buy the product will help sales to increase.