

MARKETING MIX

The footer of the slide consists of two solid-colored rectangular blocks. On the left is a smaller orange block, and on the right is a larger light blue block. They are positioned at the bottom of the slide, below the main text.

- Marketing Mix is a combination of marketing tools that a company uses to satisfy their target customers and achieving organizational goals. McCarthy classified all these marketing tools under four broad categories:
 - >> Product ,
 - >> Price ,
 - >> Place ,
 - >> Promotion
- These four elements are the basic components of a marketing plan and are collectively called 4 P's of marketing.

PRODUCT

Quality
Features
Design
Style
Brand
Packaging
Label
Services
Warranties

MARKETING MIX

PLACE

Channels
Coverage
Locations
Inventory
Transport

TARGET MARKET

PRICE

Pricing strategy
Discounts
Allowances
Payment period
Credit items
Handling charges

PROMOTION

Advertising
Personal selling
Sale promotion
Publicity
Public relations
Displays
Credit cards

- **Product:** Product refers to the goods and services offered by the organization. A pair of shoes, a plate of rice, a lipstick, all are products. All these are purchased because they satisfy one or more of our needs. We are paying not for the tangible product but for the benefit it will provide. So, in simple words, product can be described as a bundle of benefits which a marketer offers to the consumer for a price. While buying a pair of shoes, we are actually buying comfort for our feet, while buying a lipstick we are actually paying for beauty because lipstick is likely to make us look good.

Product

- The range of products offered by an organization is called the product mix.
- Motor car manufacturer- cheap, basic family runabouts, medium prices family saloons, estate cars, executive saloons, and sports cars. Within most of these product lines, various refinement can be offered e.g. two door and four door function of the family saloons, variations in the engine size and of course a range of colors.

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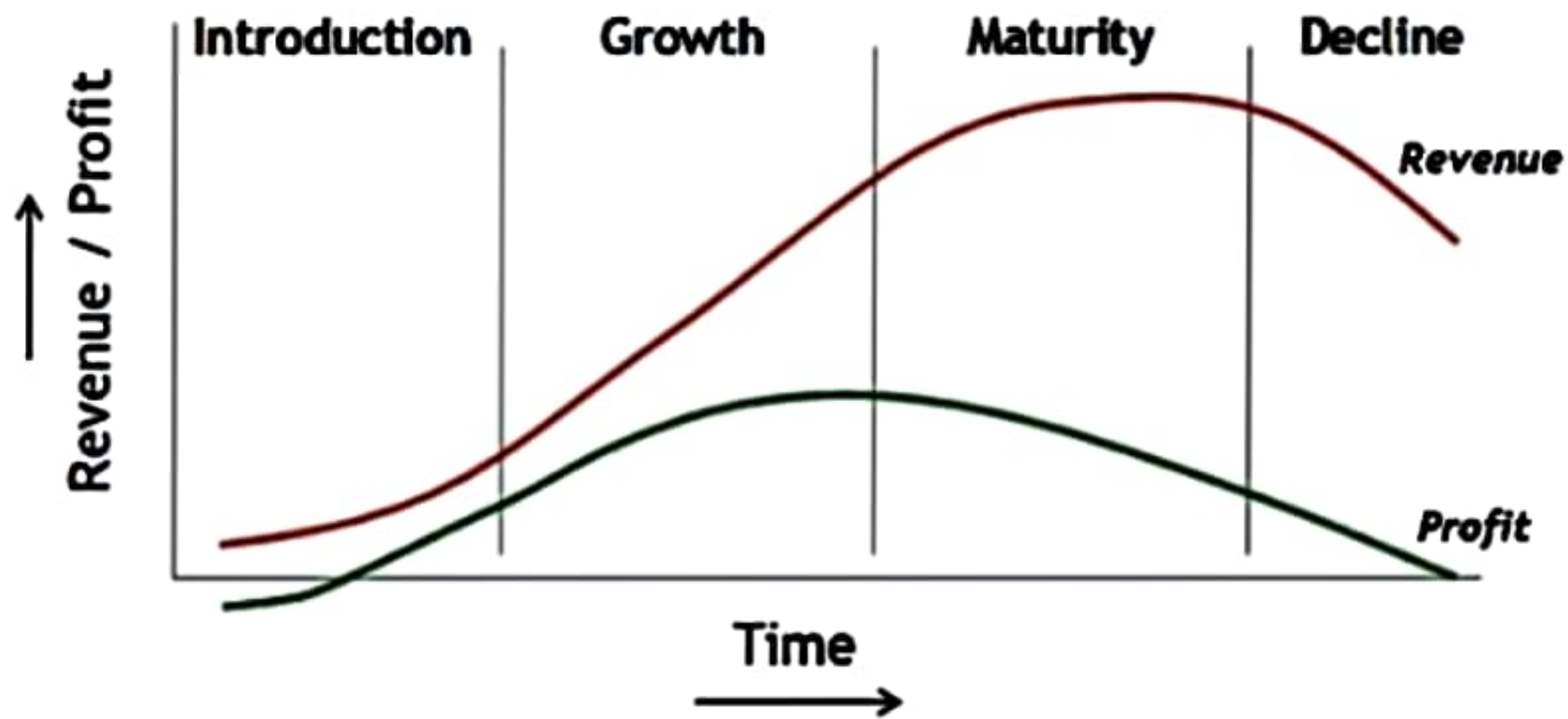
Product

- It is important to note that people generally want to acquire the benefits of the product, rather than its features. For example for buying a motor car a person is buying such thing as luxury or speed or economy or status. The facts that these benefits are achieved by differences in engine size suspension design or paintwork is really of secondary interest. All the organizations are selling benefits of the product to their customers.

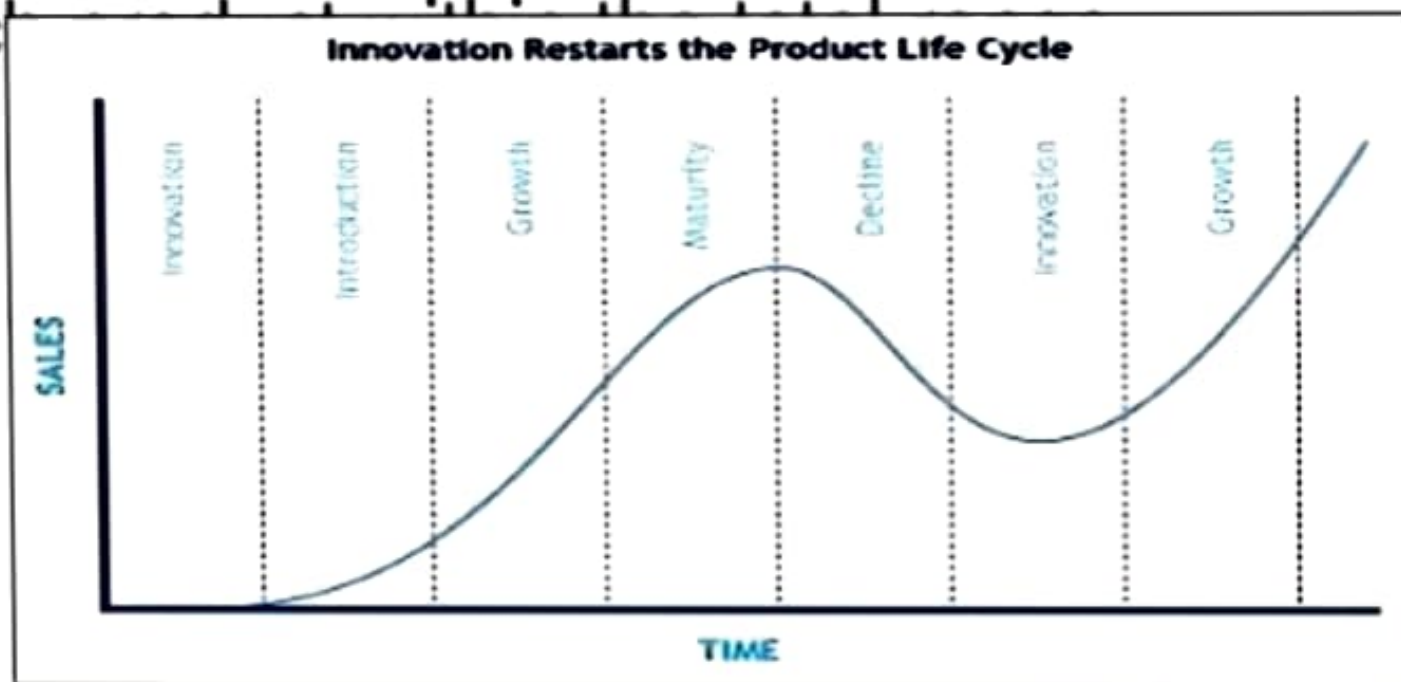
Product life cycle

- PLC: Various studies have shown that as the time goes product passes through a series of stages. The product life cycle is the combination of these stages from the time they are introduced until the time they are withdrawn.

Product Life Cycle



- From the PLC it is possible to plan the product mix , plan the development and introduction of new products , plan the development and introduction of new products, plan to withdrawal or obsolete or unprofitable products and set the revenue targets for each



Price: Price is the amount charged for a product or service. It is the second most important element in the marketing mix. Fixing the price of the product is a tricky job. The factors have to kept in mind while pricing a product are:

- like demand for a product,
- cost involved,
- consumer's ability to pay,
- prices charged by competitors for similar products, government restrictions etc.

- The activities of competitors have an important bearing on pricing decision.
- The most obvious example is when a competitor's raises or lowers his prices. If your product can offer no particular advantages over his, then if he drops his price, you will have to follow suit.

Promotion



If the product is manufactured keeping the consumer needs in mind, is rightly priced and made available at outlets convenient to them but the consumer is not made aware about its price, features, availability etc., its marketing effort may not be successful.

Promotion is done through means of personal selling, advertising, publicity and sales promotion. It is done mainly with a view to provide information to prospective consumers about the availability, characteristics and uses of a product.

Promotion- Advertising

Advertising: Advertising is the process of communication, persuasive information about the product to target market by means of the written and spoken word, and by visual material. There are five principal media of advertising as follows:

- The press- newspaper, magazines, journals etc.
- Commercial Television
- Direct mail
- Commercial radio
- Outdoor- hoardings, transport advertisements etc.

Promotion- Advertising

The aim of the advertising is given below:

- Increase customer familiarity with a product
- Inform customers about specific features of a product
- Inform the customers about the key benefits of a product
- Establish the creditability of a product
- Encourage potential customers to buy the product
- Maintain loyalty of existing customers



Promotion- Advertising

Advertising effectiveness: There are two main ways of looking at the question of advertising effectiveness- the first is to consider the results of the advertising in achieving target improvements in specific tasks e.g. increasing brand awareness in a specific market; the second is to consider the impact of advertising on sales generally. It is extremely difficult to assess the impact of advertising on sales as a whole, because so many other factors, internal and external, are at work in the marketing process of an organiza



Promotion- Personal Selling

- **Personal Selling:** Personal selling is the promotion activity consists of face to face meeting between the buyer and seller or his repetitive. Advertising creates the interest and the desire, but personal selling clinches the deal. Personal selling is the most expensive from of promotion.
- Companies which utilize an aggressive sales policy, based on personal selling, are said to be adopting a push strategy. By comparison firms which rely more heavily on advertising are described as adopting a pull strategy

Promotion- Personal Selling

Sales representative's tasks:

- **After sales servicing (dealing with technical quires, deliveries matters etc.)**
- **Gathering information (feedback on customers reactions, competitors activities etc.**
- **Communicating regular information to customers and prospective buyers.**
- **Prospecting (Looking out new selling opportunities)**

Promotion- Personal Selling

The effectiveness of sales

represent
number
evaluation

- Net sales
- Customer
- Call rate
- Period
- Value
- No. of
- Sales



Promotion- Sales promotion

Sales promotion: Sales promotion activities are a form of indirect advertising designed to stimulate sales mainly by the use of incentives. Sales promotion activities are organized and funded by the organization's own resources. They can take a no. o different forms. as. for example:

Customer oriented:

- Free samples
- Twin pack bargains
- Temporary price reductions
- Point of sale demonstrations

Trade oriented:

- Special discounts
- Co-operating advertising
- Bonuses/ prizes for sales representatives
- Provision of display material

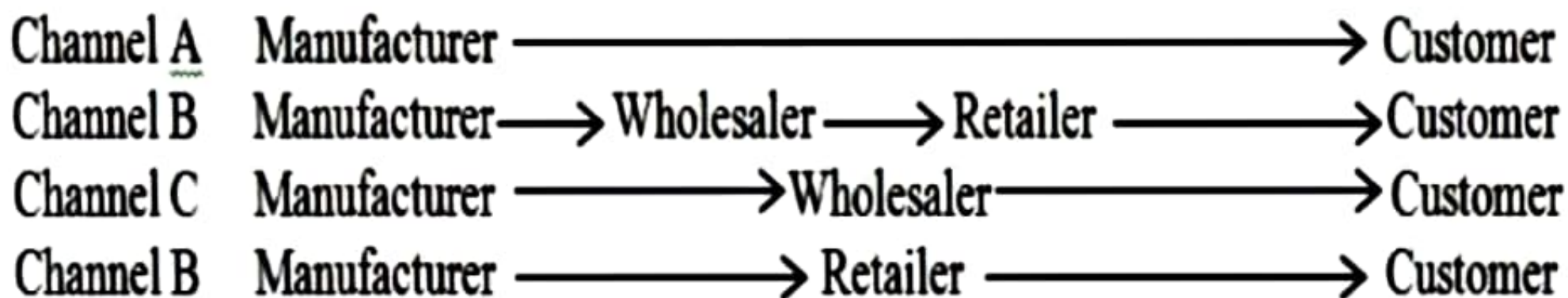


Place: Goods are produced to be sold to the consumers. They must be made available to the consumers at a place where they can conveniently make purchase. Foods and snacks are manufactured on a large scale in Bangladesh and you purchase them at a store from the nearby market in your town. So, it is necessary that the product is available at shops in your town. This involves a chain of individuals and institutions like distributors, wholesalers and retailers who constitute firm's distribution network (also called a channel of distribution).

The channel through which the products are distributed to the final customer are known as channel of distribution

Place-Channel of distribution

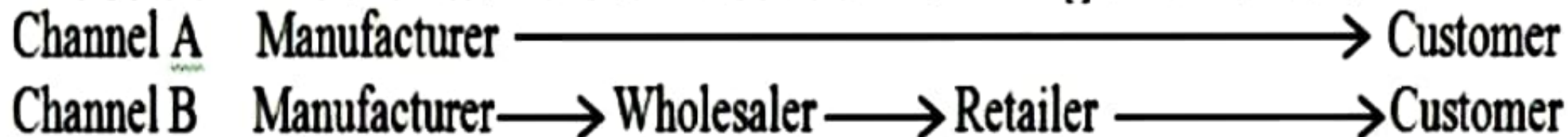
Most common channels of distribution are given below:



Channel A represents a direct marketing channel. Manufacturers of goods such as m/c tools, computers, ships and other large expensive items tend to move them direct to the buyer without involving middleman or inter middleman. e.g.: ship/plane

Place-Channel of distribution

Most common channels of distribution are given below:

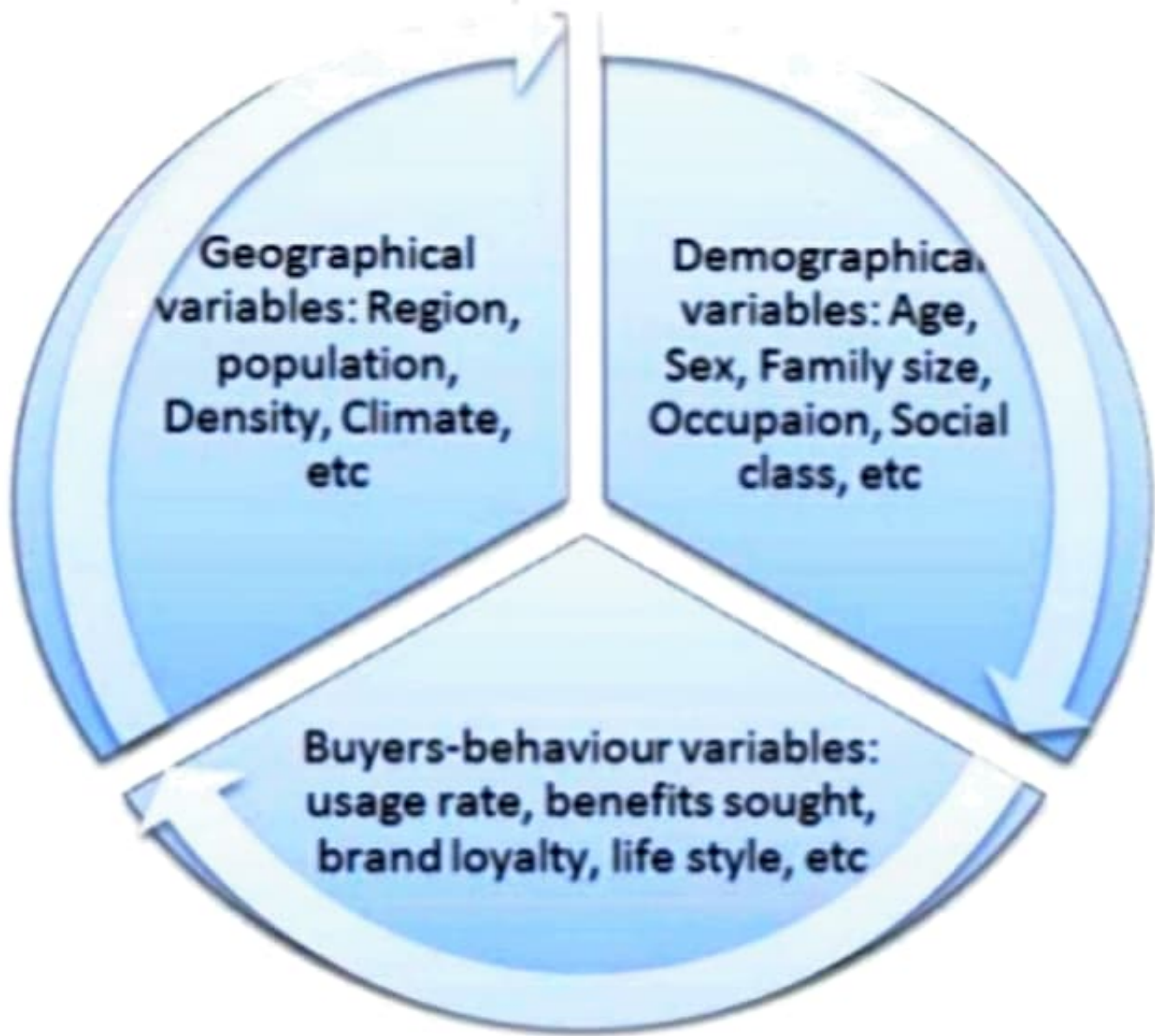


Channel B represents the typical chain for mass marketed consumer goods. Manufacturers selling a wide range of products over a wide geographical area to a market. Middlemen are important links in this channel. Wholesalers, for example buy on bulk from the manufacturers, store the goods, break them down into smaller quantities, and undertake advertising and promotional activities. The role of the retailer is to make products available at the point of sale. Individual customers need accessibility and convenience from their local sources of consumable products. They also need to see what is available, and what alternatives are offered. e.g:

Place-Channel of distribution

- Channel C represents one of the shorter indirect channels, where the retailers are omitted. This kind of operation can be found in mail order business, and in cash and carry outlets. Wholesaler buy from manufacturers, store and subsequently distribute direct to customers on a nation-wide basis. e.g.: steel, cement, imported items.
- Channel D is another version of a shorter, indirect channel. In this case, it is the wholesaler who is removed from the scene. Not, surprisingly, the retailers who dominate this channel are powerful chains or multiples in their own right. e.g: Tiles

- Markets are made up of different types of customers i.e. within each total market; there exist sub-markets which express distinctive product preferences compared with each other. Market segmentation can be defined as the subdivision of a market into identifiable buyers-groups, or sub markets, with the aim of reaching such group with a particular marketing mix.
- The most frequent methods of segmenting market are based on geographical, demographic and buyer-behavior variables



Marketing research is fundamentally about the segmentation and analysis of information required for the making of marketing decisions. The two basic areas in which the information is sought are

- (a) markets (existing and potential), and
- (b) marketing tactics and methods.

The former is oriented towards what is happening outside the organization, in the market place. The second is oriented towards the way in which the organization is responding internally to the customers, present and future

Marketing Research



A marketing research study usually includes the following steps:

- Definition of problem and specification of information to be sought
- Design of the study with particular reference to data collection methods (surveys), instrumentation (questionnaires), and sample design.
- Field work (utilizing questionnaires, structured interviews, consumer panels)
- Data analysis (using statistical and O.R. techniques)

Marketing Research

- Some of the more important advantages and disadvantages of three approaches described are as follows:

Approaches	Advantages	Disadvantages
a. Questionnaires	Wide coverage Low cost	Difficult to construct Low return rate
b. Structured interviews	More flexible Product can be shown to customer Target population can be controlled	Costly and time consuming Permits interviewer and consumer bias
c. Motivational research	Better understanding of consumer decisions	Is only applied to small groups Not easy to interpret results Costly and time consuming

Intellectual property (IP)-Patent

Intellectual property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce. IP is protected in law by, for example, patents, copyright and trademarks, which enable people to earn recognition or financial benefit from what they invent or create.

A Patent is a right granted to the owner of the patent to stop others from making, using or selling the invention that is the subject of the patent. The right is granted by the Government by way of The **Patents Act**

Consumer Protection



There are several means by which consumer interest may be protected. These involve the application of one or more:

- The common law
- Acts of Parliament
- Codes of Good practice
- Trademarks
- Independent consumer groups