

MARKETING MIX (The 4P's of Marketing)

Marketing mix more commonly known as the 4 P's of marketing includes 4 variables that influence major marketing management decisions:



The marketing mix is an essential tool that managers should use when conducting any market research or marketing activities. This framework should be a managers' first port of call in order to get an in-depth view on their product, external environment and target customers. Marketing managers can use these variables in order to answer the target markets' needs and wants. This can be done by using these four variables to identify the factors that influence individuals to purchase a certain product. By blending these four marketing mix variables, managers can attempt to generate positive responses within the target audience. A sound marketing mix will improve customer satisfaction and retention. It can also be used to differentiate from potential competitors.



Product

The product is anything that can be brought to the market that might satisfy a potential customers' want or need. A product can be classified as tangible or intangible. The main organisational aim is to establish if there is a demand for the product within its target audience. In the case of physical products, it also refers to any services or conveniences that are part of the offering. Having a unique selling point is vital when differentiating from competitors and can lead to a larger share of the market. When looking at developing a product, a manager always needs to keep the target audience in mind.

Price

When bringing a product to market a comprehensive price evaluation is needed. Businesses need to look at profit margins; competitor prices and the price potential customers will be prepared to pay for the product. Many products are price sensitive and selecting the right pricing strategy may prove vital in influencing its success. Choosing the right pricing strategy is essential in order to make sure the product is positioned correctly to succeed.

Pricing includes not only the list price, but also discounts, financing and other options such as leasing.

Place

Place (or placement) reflects how organisations get their product to their target customers. Whilst considering possible distribution channels the target audience need to be kept in mind and what channels they would most probably use. The distribution system performs transactional, logistical and facilitating functions. There is no point selling your products on ebay if your target audience is of the older generation and are less likely to use the internet.

The kind of place/distribution channel used should reflect the product e.g. a high priced, high quality goods or service should be distributed through high end channels.

Promotion

Promotion is the tool used by businesses to communicate the product with its potential customers. There are five promotional mix specification; personal selling, advertising, sales promotion, direct marketing and publicity. Since promotion is heavily linked with the price of a product, a break-even analysis should be performed when making a promotion decision.

Fundamentally there are three basic objectives of promotion:

1. To present information to customers as well as others
2. To increase demand
3. To differentiate a product

As with the other 5 aspects of the marketing mix the target customer should always be kept in mind especially when considering what promotional methods to use. Effectiveness of a promotion strategy will depend on what methods have been used and if the message has reached the aimed recipient. Different target customer groups will be more or less responsive to different methods of promotion.

A Summary Table of the Marketing Mix

Product	Price	Place	Promotion
Functionality	List price	Channel members	Advertising
Appearance	Discounts	Channel motivation	Personal selling
Quality	Allowances	Market coverage	Public relations
Packaging	Financing	Locations	Message
Brand	Leasing options	Logistics	Media
Warranty		Service levels	Budget
Service/Support			