

Marketing Mix

Lecture 2

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Marketing Mix

- ▶ Methods or actions used by business organization to promote their products to market
- ▶ Traditional Marketing Mix (4Ps of Marketing)
 - ▶ Product
 - ▶ Price
 - ▶ Place
 - ▶ Promotion

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Product

- ▶ Anything takes the attention of the customers to fulfill their needs
- ▶ Product Classification
 - ▶ A physical object (car, phone)
 - ▶ A service (salon, medical care, insurance)
 - ▶ A place (hotel)
 - ▶ A personality (singing star, presidential candidate)

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Product

- ▶ Concern on;
 - ▶ Design
 - ▶ Technology
 - ▶ Convenience of use
 - ▶ Quality
 - ▶ Packaging
 - ▶ Brand
 - ▶ warranties

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Product Lifecycle

Stage of product life cycle	Introduction	Growth	Maturity	Decline
Promotional objective	To inform	To persuade	To remind	
Promotional activity	<ul style="list-style-type: none"> • Publicity in veterinary magazines • Advertising • Salesforce calling on intermediaries • Sales promotion in form of free samples 	<ul style="list-style-type: none"> • Personal selling to intermediaries • Advertising to differentiate 	<ul style="list-style-type: none"> • Reminder advertising • Sales promotion in form of discounts and coupons • Limited personal selling • Direct-mail reminders 	<ul style="list-style-type: none"> • Little money spent on promotion

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 Source: <http://www.vetian.com.au/engish/370/motels/chap18/>

Price

- ▶ Values assigned for a product or service
- ▶ Pricing Strategies
 - ▶ Skimming the market
 - Maintain a high price to cater the rich segment of the market
 - Produce exclusive products
 - Earn high profit

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Pricing Strategies

- ▶ Penetrating the Market
 - ▶ Cater entire market by selling at the lowest price
 - ▶ Use for Fast Moving Consumable Goods

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Pricing Strategies

- ▶ Sliding Down the Demand Curve
 - ▶ Systematically reduce the prices to win over the competition
 - ▶ Use as an attacking strategy
 - ▶ Bring down the prices by cutting down the expenses

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Pricing Strategies

- ▶ Multiple Unit Pricing
 - ▶ High discount is given for the customer when high number of items are purchased
 - ▶ Push Strategy

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Pricing Strategies

- ▶ Promotional Discounts
 - ▶ Provide discounts for products temporarily to enhance selling and compete with other products
 - ▶ This can be done when a product line is introduced to the market or when clearing the stocks

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Pricing Strategies - Differential Pricing

- ▶ Prices vary based on the demand
- ▶ Prices vary for the same product based on
 - ▶ Quantity
 - ▶ Time
 - ▶ Place

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Pricing Strategies

- ▶ Loss Leader Strategy
 - ▶ Price of the product or service is set to equal or lower than the actual market cost
 - ▶ The sales will increase and get rid of slow moving products
- ▶ Psychological Pricing
 - ▶ Price is fixed to satisfy the customer psychology
 - ▶ Set prices to certain limits (Rs. 999.90 than Rs. 1000)

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Pricing Strategies - Competitor Based Pricing

- ▶ Determine price based on the competing pricing
- ▶ Not always be cheaper than the competitor
- ▶ Methods
 - ▶ Price Matching
 - Obtain brand loyalty by providing promotions
 - ▶ Going Rate Pricing
 - Check competitor price and align with it
 - ▶ Predator Pricing
 - Set prices for lowest cost

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Placement

- ▶ Distribute the product or service to be available at convenient and most suitable outlet to purchase by customers (right place at right time)
 - ▶ Retail
 - ▶ Wholesale
 - ▶ Mail order
 - ▶ Internet
 - ▶ Direct Sale
 - ▶ Peer to Peer
 - ▶ Multi Channel

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Promotion

- ▶ Communicating or create awareness about the product or service to the customers
 - ▶ Use trials
 - ▶ Advertisements (media, printed media, social media)
 - ▶ Endorsements
 - ▶ Special offers
 - ▶ Campaigns
 - ▶ Billboards
 - ▶ Posters

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Placement

- ▶ Extensive Strategy
 - ▶ Place product in every outlet
 - ▶ Biscuits, chocolates
- ▶ Selective Strategy
 - ▶ Placing product in limited number of outlets
 - ▶ Hardware, sports items, cloths
- ▶ Exclusive Strategy
 - ▶ Place product in very few outlets
 - ▶ Fashion wear, Vehicles

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Service Marketing

- ▶ People
 - ▶ Essential factor that provides the service
 - ▶ Should be well trained, skillful, enthusiastic and has correct attitude
- ▶ Process
 - ▶ The methods use in delivering the service and support
- ▶ Physical Evidence
 - ▶ The consumers judgment regarding the service

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Source: <http://marketingmix.co.uk/>

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