

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

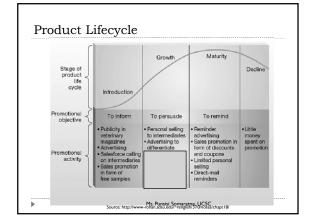
- ► Anything takes the attention of the customers to fulfill their needs
- ▶ Product Classification
 - ► A physical object (car, phone)
 - ▶ A service (salon, medical care, insurance)
 - ▶ A place (hotel)
 - A personality (singing star, presidential candidate)

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Product

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

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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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