

- (e) **Marketing programme development:** In developing each element of the marketing strategy, it is required to know (i) What will be done? (ii) When will it be done? (iii) Who will do it? (iv) How much will it cost?

11.2.4 Relationship between Marketing Mix and Marketing Strategy

Marketing mix is the mixture of controllable marketing elements that the firm uses to achieve the target market. Marketing strategy is a set of sub-strategies concerned with competition, segmentation, pricing, promotion and distribution. Structural criteria cover the following: (a) Coherence, (b) Consistency, (c) Contribution, and (d) Relative significance.

The following factors determine the key element. These are: (a) product, (b) type of market (industrial/consumer), (c) stage in evolution (emerging, transition and decline), and competitive conditions. Therefore, the key factor in the marketing mix is crucial in drawing up a marketing strategy. In devising an optimum marketing mix, it is important to know how various marketing-mix variables interact in their impact on sales/profits.

Development of Market Strategies vs. Elements of Marketing Mix

The development of strategies in relation to some of the elements of marketing mix is discussed. These relate to marketing mix decisions with respect to new product development, stages in the life-cycle of a product, and the role of advertising and pricing in the marketing mix.

The product life-cycle (PLC) concept helps to understand how the components of the marketing mix change during different phases of the life-cycle curve. The product life-cycle curve (S-shaped) of introduction, growth, maturity and decline is shown in Fig. 11.2.

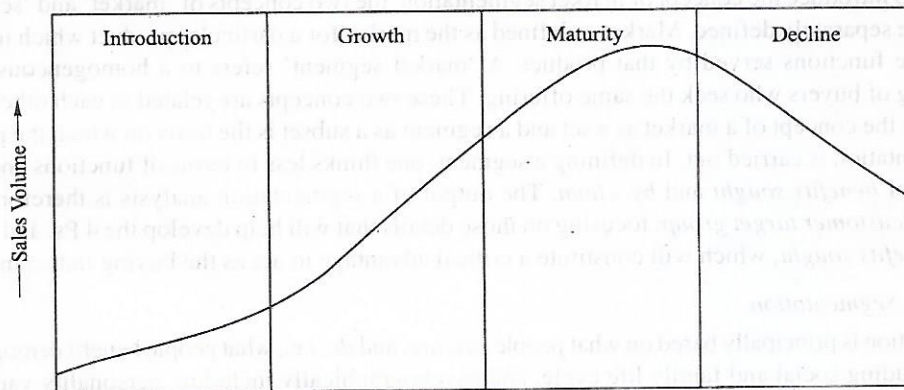


Fig. 11.2 Product life cycle

Different products will take different time periods to pass through the cycle of introduction, growth, maturity and decline. Many products such as light bulbs, machine tools, computer stationery seem to remain indefinitely at the maturity stage, while some products quickly come and go. Further, a product can be at different stages in different countries.

Table 11.3 shows some typical strategies relating to marketing mix variables in PLC stages.

11.2.5 Role of Advertising and Price in the Marketing Mix

In this type of structure, called *oligopolistic situation*, many firms prefer to increase their share by stimulating demand through advertising rather than by reducing prices. The main reason is that building up an image through advertising can be more difficult to match than a price cut.

Generally, price decisions have to be carefully coordinated with decisions on product, promotion and distribution. In general, industrial goods manufacturers tend to spend proportionately less on advertising than do consumer goods manufacturers. The relationship between 4 Ps should not be