

Principles and processes

MARKETING AND THE MARKETING MIX

Product

- ⦿ Goods or services a company offers to its target market
- ⦿ What should the product mix look like?
- ⦿ Which features/benefits should the individual product offer?

Price

- Amount of money customers have to pay for a company's product/service.
- At which price should a product be offered – cheap, expensive, medium-priced?
- Which pricing approach – cost-based, market-based, competition-based?
- Which factors affect the price?

Place

- Activities to get the product/services to the final consumer
- At which location should the product be offered for sale?
- Which distribution channels/networks can be used?
- Which intermediaries should be used and how many?

Promotion

- All activities taken and actions set to communicate with existing and potential consumers – persuade them to buy the product
- How and where should the product be promoted
- Which advertising media?
- What should the advertising campaign communicate?

Characteristics of services

- Perishability
- Intangibility
- Variability
- Inseparability
- Non-ownership
- → people, process, physical aspects

Services: people, process, physical aspects

- People: consumers and employees (staff recruitment, training and development, motivation and reward systems)
- Process: customer management should make it easy for customers to deal with the service provider
- Physical aspects: marketers ad physical signals that are visible, recognisable and experiencable for customers (uniform staff appearance, slogan, CI)

Interdependence of the marketing mix tools

- Customer should receive a package of benefits consisting of
 - The right product
 - Offered at the right price
 - In the right place
 - Supported by the right promotion
 - Additionally emphasis on people, process and physical aspects.

Marketing mix adjustments

- The mix has to be adjusted to altering demand caused by external factors

Unique selling proposition (USP)

- Certain features which enable a product to stand from the crowd
- Offer some unique benefit: design, performance, quality, reliability
- ESP = emotional selling proposition – instead or in addition to a USP
- Adding a non-functional attribute to the product or service which has unique associations for customers – Ferrari red, Yves Klein – blue, a prestige image ...)

Domestic, international, global markets

- Achieve exchanges and long-term relationships with stakeholders to satisfy needs and wants and create customer value and satisfaction
- Companies which fail to become international risk losing domestic business

International/global marketing

- ◉ Changing competitive structures and tough competitiveness
- ◉ Shifts in demand and buyer characteristics
- ◉ Limited domestic markets
- ◉ The danger of attacks from overseas companies