

## Marketing mix (Price, Place, Promotion, Product)

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When marketing their products firms need to create a successful mix of:

- \* the right product
- \* sold at the right price
- \* in the right place
- \* using the most suitable promotion.

To create the right marketing mix, businesses have to meet the following conditions:

- \* The product has to have the right features - for example, it must look good and work well.
- \* The price must be right. Consumer will need to buy in large numbers to produce a healthy profit.
- \* The goods must be in the right place at the right time. Making sure that the goods arrive when and where they are wanted is an important operation.
- \* The target group needs to be made aware of the existence and availability of the product through promotion.

Successful promotion helps a firm to spread costs over a larger output.

For example, a company like Kellogg's is constantly developing new breakfast cereals - the product element is the new product itself, getting the price right involves examining customer perceptions and rival products as well as costs of manufacture, promotion involves engaging in a range of promotional activities e.g. competitions, product tasting etc, and place involves using the best possible channels of distribution such as leading supermarket chains. The product is the central point on which marketing energy must focus. Finding out how to make the product, setting up the production line, providing the finance and manufacturing the product are not the responsibility of the marketing function. However, it is concerned with what the product means to the customer. Marketing therefore plays a key role in determining such aspects as:

- \* the appearance of the product - in line with the requirements of the market
- \* the function of the product - products must address the needs of customers as identified through market research.

The product range and how it is used is a function of the marketing mix. The range may be broadened or a brand may be extended for tactical reasons, such as matching competition or catering for seasonal fluctuations. Alternatively, a product may be repositioned to make it more acceptable for a new group of consumers as part of a long-term plan.

### The price

Of all the aspects of the marketing mix, price is the one, which creates sales revenue - all the others are costs. The price of an item is clearly an important determinant of the value of sales made. In theory, price is really determined by the discovery of what customers perceive is the value of the item on sale. Researching consumers' opinions about pricing is important as it indicates how they value what they are looking for as well as what they want to pay. An organisation's pricing policy will vary according to time and circumstances. Crudely speaking, the value of water in the Lake District will be considerably different from the value of water in the desert.

### The place

Although figures vary widely from product to product, roughly a fifth of the cost of a product goes on getting it to the customer. 'Place' is concerned with various methods of transporting and storing goods, and then making them available for the customer. Getting the right product to the right place at the right time involves the distribution system. The choice of distribution method will depend on a variety of circumstances. It will be more convenient for some manufacturers to sell to wholesalers who then sell to retailers, while others will prefer to sell directly to retailers or customers.

### The promotion

Promotion is the business of communicating with customers. It will provide information that will assist them in making a decision to purchase a product or service. The razzmatazz, pace and creativity of some promotional activities are almost alien to normal business activities.

The cost associated with promotion or advertising goods and services often represents a sizeable proportion of the overall cost of producing an item. However, successful promotion increases sales so that advertising and other costs are spread over a larger output. Though increased promotional activity is often a sign of a response to a problem such as competitive activity, it enables an organisation to develop and build up a succession of messages and can be extremely cost-effective.

### The marketing mix of Manchester United

What are the main elements of the marketing mix of Manchester United? First of all the product includes providing an excellent football team that plays and wins in an exciting way. However, there are other ingredients of the product including merchandising such as the sale of shirts, and a range of memorabilia. The product also relates to television rights, and Manchester United's own television channel. In one respect the place is Old Trafford where home games are played, but Manchester United also plays at a range of other venues. And, of course its products are sold across the globe, through the club's website and a range of other sales media.

Manchester United markets itself as a global brand. The club also engages in a range of joint promotional activities, for example with the mobile phone company Vodafone. Manchester United books, shirts, programmes, keyrings and many other items are sold and promoted through its website. The club has positioned itself at the upmarket premier end of the market and, as a result, it tends to charge premium prices as evidenced by the high cost of a season ticket to watch home league games.

Positioning or repositioning a product - refers to locating that product within a market for example presenting it is an upmarket or downmarket product. Positioning it as a product for younger consumers or older consumers etc.