



# **MARKETING MIX**

## **TWELFTH LESSON**

2<sup>nd</sup> Semester - Undergraduate Degree

# MARKETING MIX

Marketing is more than any other business function, deals with customers.

**Marketing** is managing profitable customer relationships. The twofold goal of marketing is to attract new customers by promising superior value and keep and grow current customers by delivering satisfaction.

**Marketing** is the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return.

## Marketing mix

The marketing mix is basically composed of product, price, distribution and promotion, which will be illustrated as follows:

### - **P**roduct

It is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. Products include more than just tangible objects, such as cars, computers, or cell phones.

A service is a form of product that consists of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything.

## **P**roduct Classifications

Products fall into two broad classes:

**Consumer products** include convenience products, shopping products, specialty products, and unsought products.

**Convenience products** are consumer products and services that customers usually buy frequently, immediately, and with minimal comparison and buying effort. Such as: detergent, fast food.

**Convenience products** are usually low priced, and marketers place them in many locations to make them readily available when customers need or want them.

**Shopping products** are less frequently purchased consumer products and services that customers compare carefully on suitability, quality, price, and style. which include furniture, clothing, used cars.

**Marketing** is the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return.

### **The marketing mix**

- product,
- price,
- distribution,
- promotion.

**The product** is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need.

### **Products types**

- Consumer products
- Industrial product

### **Consumer products**

- convenience products,
- shopping products,
- specialty products

**The price** is the amount of money charged for a product or service.

#### Major Pricing Strategies

##### Customer value-based:

- Good-value pricing
- Value-added pricing
- Cost-based pricing

**Distribution** is the process of making a product available when and where it is needed.

#### Distribution types:

- Direct marketing channel
- Indirect marketing channels
- Intensive distribution
- Exclusive distribution
- Selective distribution

**Specialty products** are consumer products and services with unique characteristics or brand identification.

**Industrial product** A product bought by individuals and organizations for further processing or for use in conducting a business.

## - Price

It is the amount of money charged for a product or service; the sum of the values that customers exchange for the benefits of having or using the product or service.

## Major Pricing Strategies

**Customer value-based:** that is based on buyers' perceptions of value rather than on the seller's cost.

**Good-value pricing:** by offering the right combination of quality and good service at a fair price.

**Value-added pricing:** by attaching value-added features and services to differentiate a company's offers and charging higher prices.

**Cost-based pricing:** that is based on the costs for producing, distributing, and selling the product plus a fair rate of return for effort and risk.

## - Distribution

It is the process of making a product available when and where it is needed.

## Types of distribution

Some of the distribution types can be mentioned as follows:

**Direct marketing channel**, that has no intermediary levels; the company sells directly to consumers.

**Indirect marketing channels**, containing one or more intermediaries.

**Intensive distribution**, that is used for the products that must be available where and when consumers want them.

**Exclusive distribution**, in which the producer gives only a limited number of dealers the exclusive right to distribute its products in their territories.

**Selective distribution**—the use of more than one but fewer than all the intermediaries who are willing to carry a company's products. Most television, furniture, and home appliance brands are distributed in this manner.

## - **P**romotion

Promotion is developing and spreading persuasive communications about an offer.

**Promotion mix** (or marketing communications mix). That contains the following elements:

**Advertising:** Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.

**Sales promotion:** Short-term incentives to encourage the purchase or sale of a product or service.

**Personal selling:** Personal presentation by the firm's sales force for the purpose of making sales and building customer relationships.

**Public relations (PR):** Building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events.

### **Promotion**

is developing and spreading persuasive communications about an offer.

### **marketing communications mix:**

- Advertising
- Sales promotion
- Personal selling
- Public relations