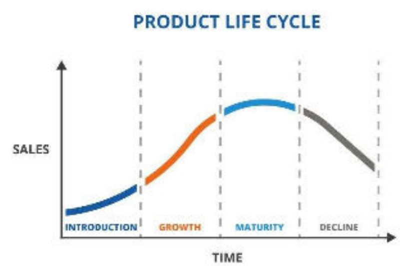
2.4 The Marketing Mix

Product

Market research will inform businesses what customers want.

The business will need to design, invent or innovate to produce their product or service. The product life cycle (shown) refers to the four stages a product usually goes through.



Price

- Competitor pricing
- Cost-plus pricing
- Penetration pricing
- Promotional pricing
- Skimming

Promotion

Point of sale promotion

- Price Reductions
- Loss Leaders
- Competitions
- Free Samples

Advertising

- Websites
- Television
- Social Media
- Print Media
- Radio

Place

Place is concerned with where the product is sold from and the distribution of goods

Physical distribution is the movement of a good or service using a physical presence such as a shop.

Digital distribution involves downloading from a website.

Advantages of digital distribution	Disadvantages of digital distribution
▪ Customers can access products and services 24/7 ▪ Goods are downloaded so available quickly ▪ No physical product to deliver so the business saves money	▪ Not all goods are suitable for digital distribution i.e. bread ▪ Not all customers have access to the internet ▪ Easier for illegal content to be copied and distributed which means the business loses sales

Quizizz – test yourself!

Quizlet

Exam Style Question

Video Links

Extended Reading

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Key Words

Marketing Mix
Refers to the 4 Ps of marketing – product, price, promotion and place

Product Life Cycle
The typical life stages of a product with 4 key stages: introduction, growth, maturity and decline

Innovation
The improvement of an original idea

Skimming
A high initial price

Cost plus pricing
A pricing method that adds a percentage to the total costs of making a product to arrive at the price

Penetration pricing
A price set lower than competitors

Promotional pricing
Prices are reduced to give sales a boost

Competitor Pricing
Price is set based on prices charged by competitors