

Marketing | H1 Notes

A market is a group of people who may buy a product. A target market is a selection of people that the product is aimed at.

The Marketing Mix - Product

This is the finished good to be sold to customers. It has a Unique Selling Point (USP).

Product Design

The product must be able to do as it is supposed to, look good, be easy to store and easy to use.

Branding

The business may decide to brand their products. This makes them easily recognizable, helps to develop consumer loyalty and conveys an image of high quality. Some brands may decide to do what is called an 'own-brand'. They are exclusive to the business and are not sold anywhere else. These are usually much cheaper to buy and make.

Packaging

A good package should protect the product, inform consumers of what product is stored inside, give key information and attract customers.

The Product Life Cycle

Businesses use this model to make decisions on advertising, marketing, development and promotion.

The Marketing Mix – Price

Types of Pricing

- Premium
- Mark up – adding a percentage to the price.
- Price skimming – high price at beginning.
- Price discrimination – charging different prices in different markets.
- Predatory pricing – charging really low prices to remove competition.
- Penetration pricing – low price to gain share of the market.

The Marketing Mix – Place

This refers to the way in which the good is brought to the customer. It is also called 'the channels of distribution'. This can be direct to the consumer, using a wholesaler, using agents, or using retailers.

The Marketing Mix – Promotion

Sales Promotion

This involves giving customers incentives to buy the products, such as free samples, 3 for 2 deals or coupons.

Direct Marketing

This is when the information of possible consumers is gathered and the business contacts them directly in an attempt to get them to buy their product. This is often called 'junk mail'.

Public Relations

This involves creating a good public image for the company. This is done by a Public Relations Officer (PRO). They maintain a good image by holding press conferences to address issues, sponsoring different events and giving charitable donations.