

MARKETING

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LU 3: Marketing Mix



Objectives

- At the end of this learning units, you should be able to:
 - Briefly explain and appreciate each components the marketing mix



Marketing Mix

- The blend of the marketing mix depends upon:
 - Marketing objectives
 - Global issues
 - e.g. culture, religion
 - Types of products
 - Target market
 - Market structure
 - Marketing position
 - Rivals behaviour
 - Product portfolio
 - Product lifecycle
 - Boston Matrix (LU2)
 - Ansoff Matrix (LU2)



Components of Marketing Mix



Components of Marketing Mix

- Traditionally comprises of 4 components – the 4Ps:
 - Price
 - Place
 - Promotion
 - Product
- Lately, widely accepted as 7Ps
 - all the 4Ps as above plus another three Ps:
 - People
 - Process
 - Physical Evidence



1. PRICE

- Pricing strategy depend on:
 - Knowledge/ understanding of the market environment
 - Elasticity
 - Rivals' strategy
- Options of pricing strategy:
 - Skimming
 - Penetration
 - psychological
 - Cost plus
 - Cost leader

2. PRODUCT

- Two types of products:
 - Physical products e.g. smartphones, tissues, refrigerator, etc.;
 - Services e.g. banking, insurance, cinema, transportation, etc.
- Target:
 - High sales or at least achieved target sales effectiveness



2. PRODUCT

- Product characteristics:
 - Design
 - Usefulness
 - Convenience
 - Value
 - Quality
 - Packaging
 - Branding
 - Accessories
 - Warranties



2. PRODUCT

- Approaches used to improve or differentiate products from rivals:
 - Extension strategy
 - Specialized version
 - New edition
 - Improvements
 - Changed packaging
 - Technology



3. PROMOTION

- Various types of promotional strategy:
 - Leaflet / posters
 - Free gifts
 - Competition
 - Special offer
 - Advertising
 - Endorsement
 - User trials
 - Direct mailings
 - Joint ventures



3. PROMOTION

- Purpose:
 - To make consumer aware of product/services existence and/or offered by the organisation
 - NOT just advertising as perceived by most consumers



4. PLACE

- Questions that the organization must answer
 - How the product can get to the customer?
 - How easy can the customer to access the product / services?
- Various ways
 - Retail
 - Wholesale
 - Mail order
 - Direct sales
 - Multi channel



5. PEOPLE

- Having the right people/ staff to support the organisation's product / services - sales/ staff contact experience, include:
 - Organisation's Staff
 - Organisation's Management
 - Organisation's culture
 - Customer service orientation



5. PEOPLE

- Customer desire excellent customer service from organisation's personnel to maintain high level of customer satisfaction e.g.
 - Hours of operation
 - Average response time
 - Good quality of service delivery and service encounter, etc.



6. PROCESS

- Solid and uniformity of process and procedures related to organisation's product/services
 - Service delivery
 - Service consumption
- Questions that the organisation must answer
 - How the services consumed by the customer?



6. PROCESS

- Various ways:
 - Contact – F2F, virtual contact
 - Reminders
 - Registration
 - Subscription
 - Form filling
 - Support of technology



7. PHYSICAL EVIDENCE

- The way an organisation's products, or services and about the organisation as a whole be seen from the outside
 - Facilities
 - Infrastructure
 - Service delivery



Main References

- Kotler and Amstrong (2014) Principles of Marketing, 15th ed., Person Education Ltd., Essex
- Lamb, Hair, McDaniel, Summmers and Gardiner (2013) Marketing²; 2nd Asia-Pacific Edition., Cengage Learning Australia Pty.Ltds.

