Marketing mix 6663

Business, Marketing

Marketing Mix

What is the marketing mix? Professor Jerome McCarthy coined this term which breaks down into four separate parts: product, price, place, and promotion, better known as the four P's of marketing. Some experts feel this early 60's mentality is a little archaic and should reflect societies other factors. Today's marketers feel there are two important P's that have been overlooked, or intentionally ignored, and they are politics and public opinion.

The first P in the marketing mix is product. A product is any physical good, service or idea that satisfies a want or need. Because the term " product" is somewhat vast in its definition, marketers dissect the meaning into a smaller unit known as a commodity. A commodity is a product with subtle differences. These differences can range from physical to geographical. Kotler uses the example of DuPont dacron, nylon, and orlon, " DuPont deserves credit for creating brilliant new fibers displaying different properties. In each case it gives them memorable names."

The next ingredient in the marketing mix is price. The price of a product depends on several factors including, but not excluded to, the product being offered, competitors pricing on a like item and the demand for the product. Companies use a variety of techniques to reach the most competitive price for their product. One example of this would be cost-based pricing. Cost-based pricing is simply adding a markup to the cost of the item. On the other hand, a company could also employ value-based pricing. Value-based pricing is a hypothesis of the maximum amount of money a person will spend on a product and then pricing the item below that figure to make the item more appealing. Both pricing techniques take into account the supply and demand for an item.

After a need is uncovered and a price is set, the next step in the marketing mix is deciding where to market the product. This is refereed to as place or distribution.

How and where will your products be sold? Companies chose to sell a product directly to customer or use a retailer/wholesaler to distribute their product. The best example of direct selling would be Gateway computers in their early years. Before there was a Gateway Country in every city, a person did not have the option of walking into their store and seeing the many options available. If a person wanted to purchase one of their computers, he or she had to call the company direct. Now, Gateway has expanded into storefronts but you are still purchasing the computer directly from Gateway. A retailer would be the average department store. These stores carry a wide-range of items from a plethora of manufacturers. When you walk into one of these stores you can usually see “ like” items made by different companies. Jeans would be a good example to illustrate this point. Department stores usually carry jeans made by different companies like Levi’s and Guess.

Now that a need has been identified, a price has been set, and a means for distribution has been established, the final step is to promote the product.

All other factors considered; advertising is probably the most important aspect of the marketing mix. A product, which no one has heard about, is not making a company any money. Companies spend millions of dollars a year on advertising. Advertising is a very intricate process. Contrary to popular belief, ads are directed at a very specific audience, and have well defined goals. Some companies use advertising to promote their product while others may advertise their products as a public service.

Word Count: 596