

BUSINESS: *Creating informed, discerning employees, consumers and future leaders*

Topic 2.2.5 Marketing Mix and business decisions

Key Vocabulary

Marketing mix – the four elements that work together to make the marketing of a business or product successful

Product – the actual product the business produces / sells. Cost, aesthetics and function need to work together

Price – what the customer is charged for the product

Promotion – the methods used to inform customer about a product and persuade them to buy it

Place – the distribution methods used to get the product from the producer to the consumer

Competitive advantage – something a business does that is better than all of its rivals

Core Knowledge

Each element of the marketing mix can influence another

- **Product** design can influence the **price** charged, especially if costs increase
- The type of **product** will affect the distribution channel (**place**) used; if e-tailing is to be used, the **product** will need to be designed so that posting is easy
- If the business wishes to charge a premium **price**, it will need to use premium retailers (**place**) and use **promotion** strategies that enhance this message of quality
- **Promotional** offers may lower **price**
- A **distribution channel** that uses wholesalers and retailers will increase the **price**

Building competitive advantage:

- **Product** – unique features, quality, design
- **Price** – selling at the cheapest price in a market
- **Promotion** – creating a memorable or catchy campaign can make a product stand out
- **Place** – more stores than rivals, effective websites

Wider Business World

Dyson – has a competitive advantage due to uniqueness of product

Lindor chocolate – unique product, higher price, promotion suggests luxury / handmade, sold in department stores as well as supermarkets. An integrated mix.



Synoptic Links

Customer needs – each element of the marketing mix, must meet needs

Market research – needs to be completed to understand customer needs

Market segmentation – identifying different groups of people

Finance – a budget must be agreed for Marketing

Objectives – the marketing mix will depend on what the business wants to achieve

Don't be a "man on the street"

- Remember that each element must be considered
- Marketing decisions must be linked to the business overall objectives
- Marketing decisions must be relevant to the individual business and the market it is in – just doing more promotion, or lowering price will not guarantee success

