

Lesson-20

MARKETING MIX

Introduction

You will learn about the basic aspects relating to the 4‘P’s: product, price, place and promotion. These 4 ‘P’s are called as elements of marketing and together they constitute the marketing mix. All these are inter-related because a decision in one area affects decisions in other areas. So the marketing manager concentrates on four major decision areas while planning the marketing activities, namely, products, price, place (distribution) and promotion.

Important points from the text:

1. Product is defined as anything that can be offered to a market to satisfy a want. It not only includes physical objects and services but also the supporting services like packaging, installation, after sales services etc.

2. Based on use, products can be classified as:

Consumers goods

Industrial goods

3. Based on durability products can be classified as:

Durable goods

Non-durable goods

4. Based on tangibility, products can be classified as :

Tangible goods

Intangible goods

5. Price is the consideration in terms of money, paid by consumers for the bundle of benefits he/she derives from use of product/services. The different methods of price fixation :

Cost Based Pricing

Competition Based Pricing

Demand Based Pricing

Objective Based Pricing

Learners Guideline Business Studies (319)

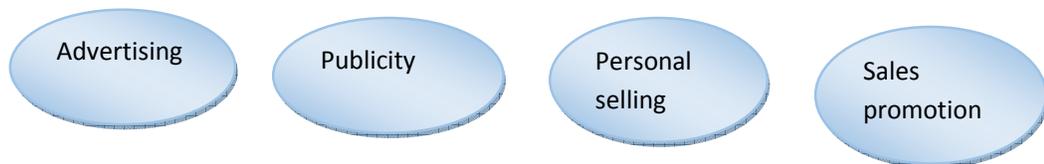
6. Channels of distribution are a vital link between manufacturers/producers and the ultimate consumers/users. It includes the middlemen/agents engaged in the process of transfer of title of goods. The various channels used for distribution of consumer goods are

- ❖ Zero stage channel : Manufacturer → Consumers
- ❖ One stage channel : Manufacturer → Retailer → Consumers
- ❖ Two stage channel : Manufacturer → Wholesaler → Retailer → Consumers
- ❖ Three stage channel : Manufacturer → Agent → Wholesaler → Retailer → Consumers

7. Factor affecting choice of distribution channel :

- (1) NATURE OF GOODS
- (2) NATURE AND EXTENT OF MARKET
- (3) REVIEW OF EXISTING CHANNELS
- (4) CUSTOMER BUYING HABITS
- (5) MUTUAL CO-OPERATION BETWEEN THE MANUFACTURERS AND MIDDLE MEN

8. Promotion is an applied communication used by marketers to convey persuasive messages and information between the firm and its potential customers. The different tools used for promotional activities are :



Learn new points:

- ❖ Branding is the process of using a name, term, symbol or design to identify the product.
- ❖ Packaging includes all the activities which are involved in making a container and protecting a product.
- ❖ Labeling provide a detailed information about a product.
- ❖ Publicity is a non-paid communication which gives information about a product.

Evaluate yourself

1. Mr.Akhil buys a Printing machine for his shop and its helps him in printing pages. How this can be classified? Explain
2. Mrs Rubina has to choose 5 different kinds of products. Help him to choose the product according to durability, tangibility, industrial good and consumer good, non tangible good. Explain with the help of examples.

Maximize your marks

- Read the chapter carefully
- Go through the learning points
- Get into the little details of the above mentioned important points.