

## The Marketing Mix: Product and Price

In this recording we summarise the content of chapter 32 The Marketing Mix: Product and Price. Studying this chapter should help you specify the key elements of the marketing mix; discuss what is meant by branding and explain how packaging and labelling can contribute to a brand's success; understand how the management of products and services changes over the different stages of the lifecycle and explain the process by which new products are developed and adopted by markets; understand how to price product and services; .

Introducing the chapter, the authors start with 1. Once a company determines its target market and establishes a position within that market, it is ready to begin its marketing. The tools used for this are the controllable variables of the marketing mix, (Barringer and Ireland 2010); the variables are used by the organisation to satisfy customers in the target markets. The mix is effectively the tactical 'toolkit' of the marketing programme; product, place/distribution, promotion, price (and people) variables, as illustrated in Figure 32.1. Baines, Fill and Page (2008) deem it to be the list of items a marketing manager should consider when devising plans for marketing products, including product decisions, place (distribution) decisions, pricing decisions, and promotion decisions. Later the mix was extended to include process, and people decisions to account for the lack of physical nature in service products. When marketing their products, firms need to create a successful mix of: the right product, sold at the right price, in the right place and using the most suitable promotion. Optimizing the marketing mix is the primary responsibility of marketing. By offering the product with the right combination of the four Ps, marketers can improve their results and marketing effectiveness. The marketing mix is probably the most famous marketing term and its elements are the basic components of a marketing plan. The offer made to the customer can be altered by varying the mix elements. Each aspect of the marketing mix is described in this section of the book, starting in this chapter with the product and price.

[Insert Figure 32.1 the marketing mix here].

The key concepts discussed within this chapter are:

Marketing mix - the tactical 'toolkit' of the marketing programme; product, place/distribution, promotion, price and people variables that an organisation can control in order to appeal to the target market and facilitate satisfying exchange; Marketing plan - the written arrangements for specifying, implementing and controlling an organisation's marketing activities and marketing mixes; Price variable - The aspect of the marketing mix that relates to activities associated with establishing pricing policies and determining product prices; Product development - a strategy of increasing sales by improving present products or developing new products for current markets; Product life cycle - the four major stages through which products move: introduction, growth, maturity and decline; .

Other terms discussed include:

Boston Matrix; Brand; Branding; Packaging; Product portfolio; Product portfolio analysis; .

Summarising and concluding, the author(s) make the following comments - 20. Products (including services) must be developed and launched in order to generate revenue for the organisation. They then pass through various stages as reflected in the product lifecycle. Organisations rarely rely on a single product and the process of managing groups of brands and product lines is called portfolio planning. We introduced the Boston matrix to help consider management of the portfolio. Products must compete with similar rival offerings and brands help customers to differentiate between offerings. Packaging and labelling can help contribute to the success of a product/ brand. Before a product is offered, the organisation must determine the offer price. This is important because price determines profitability and revenue generation. Price, costs, quality and value are interconnected. There are a variety of pricing policies and strategies and the marketing manager must consider many factors when setting price. Whilst competitor pricing must be considered, price wars can devastate

companies and there are ways to avoid them..

We have now reached the end of the chapter 'The Marketing Mix: Product and Price'.

There are a number of references for this chapter where further reading opportunities are identified for you.

Additionally, there are questions or activities to help develop and test your understanding of this chapter