

Entrepreneurship I 3.01

Develop marketing strategies to guide
marketing tactics

Marketing Mix

- ▶ A combination of the four elements of marketing – product, price, place, promotion



Marketing Mix: Product

- ▶ Product: the goods, services, or ideas a business will offer its customers.
- ▶ Marketers conduct research and use their creativity to figure out what customers need and how they will meet those needs



Marketing Mix: Product

- ▶ Marketers ask themselves questions such as:
 - Should we offer one product—or more than one?
 - Is the product a good, service, or idea?
 - Does the product have special features?
 - Does the product have multiple uses?
 - What resources are necessary to research and develop the product?
 - What level of quality should be produced or provided?
 - Which brands should be used?
 - How should the product be packaged?
 - How might the product affect the firm's image?
 - How might customers view this product in relation to others?
 - Should we offer a warranty, maintenance contract, or other support services?

Marketing Mix: Place

- ▶ The place element can make or break the buying experience. Getting a product in the right place at the right time is all about creating convenience for the customer.



Marketing Mix: Place

- ▶ Consider the following:
 - Which firms to buy the product from
 - When to buy the product
 - How much of the product to order
 - Where to make the product available
 - How to process customer orders
 - Which firms to involve in the process
 - How to answer customer questions
 - How to coordinate all of the steps involved

Marketing Mix: Promotion

- ▶ Promotion refers to the various types of communication that marketers use to inform, persuade, or remind customers about their products.
 - Advertising
 - Personal selling
 - Publicity
 - Public relations
 - Sales promotion



Marketing Mix: Promotion

- ▶ Consider the following:
 - Which messages to send
 - Which media to use
 - When they want messages delivered
 - How often they want messages delivered
 - How to coordinate communication efforts
 - How to evaluate results



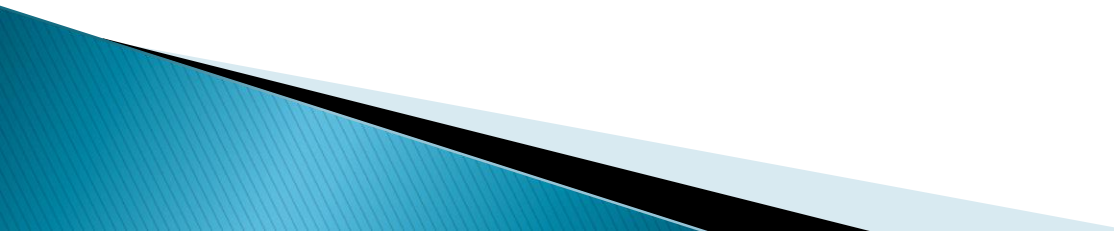
The ultimate goal of promotion is to generate a positive response from customers.

Marketing Mix: Price

- ▶ Price is the amount of money a firm asks in exchange for its products.
- ▶ To be successful, a good balance between customer value and satisfaction, as well as company cost and profit must be found.



Marketing Mix: Price

- ▶ Determine company pricing objectives:
 - Getting their product into more customers' hands.
 - Helping customers view their firm as distinct from competitors
 - Bringing in the amount of income they need or want.
 - Raising the product's value in the customer's eyes
 - Matching the product's value with what customers expect to receive
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Marketing Mix: Price

- ▶ Determine how to accept payment:
 - Cash, debit, credit, check, or combination



Goal: What is the marketer's destination?

- ▶ Goal: An objective you plan to fulfill
- ▶ Determine where your business/firm needs to be by a particular date and set goals
 - Example: A family-style restaurant wants to increase sales. They set goal to increase annual sales by 10% over last years sales. This goal is specific and can be evaluated for success/failure at end of year.

*Think about a time when you were given a goal which was not specific enough. What happened?



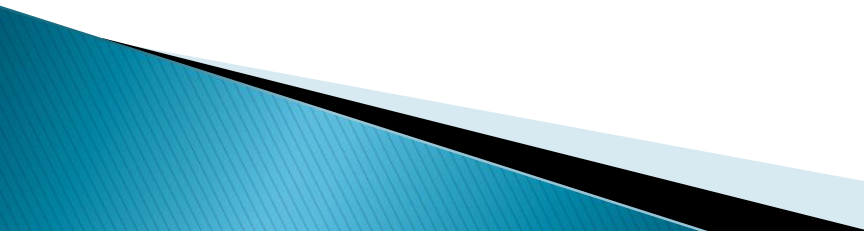
Strategy: Which route will the marketer take to get their destination?

- ▶ A strategy is a plan of action for achieving your goals and objectives.
- ▶ Create the plan of action (route) believed to be most efficient.
- ▶ Examples:
 - Strategy #1: Add a kids' menu in order to increase sales to young parents in the area
 - Strategy #2: Extend hours

*Identify another strategy that would increase the restaurants sales.



Tactics: What small steps are needed to make it happen?

- ▶ Tactics are specific actions used to carry out strategies
 - ▶ Marketers carefully choose the short-term actions, or tactics, they use to carry out their strategy.
 - ▶ Tactics must line up with where they plan to go –their goal–and how they plan to get there
 - ▶ Marketers pay attention to every detail – their strategy
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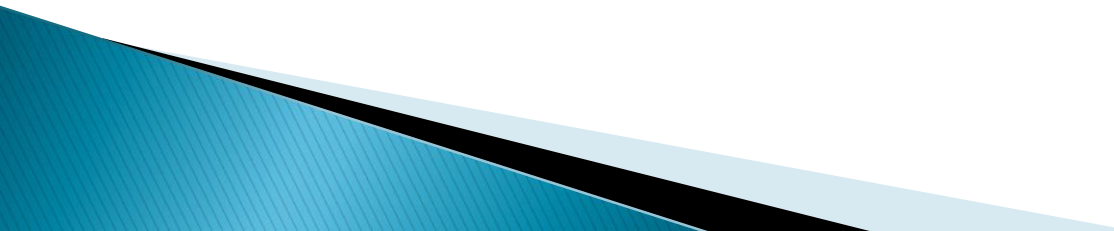
Tactics

Example: To introduce the new kids' menu, the family style restaurant might decide to use the following tactics:


- ▶ 1. Introduce kid-tested meals
 - A) spaghetti & meatballs
 - B) macaroni & cheese
 - C) hot dog w/chips
 - D) hamburger w/fries
- ▶ 2. Offer a free ice cream cone to each child

Each of these actions leads the restaurant to its desired destination

Marketers plan thoroughly but stay flexible

- ▶ No one knows for sure exactly how a plan will play out
 - ▶ Planning needs to be as complete as possible—but easily adaptable
 - ▶ Marketers plan for success and are ready to adjust at any given moment
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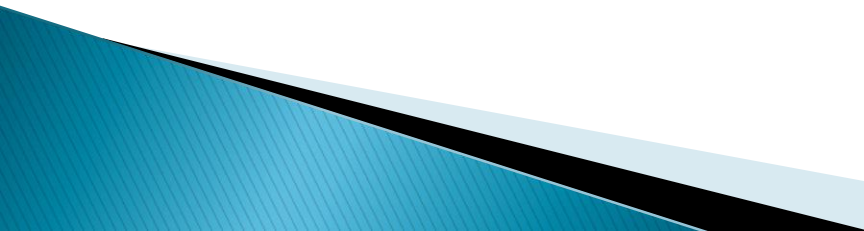
Deciding on Strategies and choosing the best option

- ▶ A firm's strategy is important because it shows how its goal will be reached
 - Its strategy may not be the only option
 - There can be more than one marketing strategy
 - ▶ To choose the best strategy for reaching their goal, marketers consider:
 - How the marketing concept applies to their situation
 - When they want to reach their goal
 - Which resources are on hand
 - ▶ After selecting, marketers set aside funds to make it happen.
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Marketing Strategies May Change

- ▶ Business situations change, so marketers must look for obstacles they can turn into opportunities
- ▶ Situations which might invite a change of plan include:
 - Hearing about a new product w/better features
 - Figuring out that the price is slightly high for customers
 - Seeing the firm's ad in the back of the newspaper, instead of the section in which it was expected
 - Learning of new government regulations that impact the business
 - Watching the economy improve or worsen

Does the same marketing strategy work in every situation?

- ▶ Not in today's world
 - ▶ Each situation requires a customized approach
 - ▶ Marketers often adjust, or even combine, their strategies to fit their purposes
 - ▶ Marketers combine marketing elements differently to product strategies appropriate for reaching assorted marketing goals
 - ▶ The marketing mix differs among companies – to meet their designated goals.
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Put It All Together

- ▶ Marketers must adapt their marketing mix to suit each unique set of circumstances (iPod playlist)
- ▶ A change in one marketing element affects the others.
 - If product features are improved, price goes up