

UNIT 3 PART 4



MARKETING MIX

- IN THIS MARKETING PHASE DECISIONS ARE MADE THAT RESULT IN YOUR PRODUCT/SERVICE BEING AT **THE RIGHT PLACE, AT THE RIGHT TIME AND AT THE RIGHT PRICE** FOR YOUR TARGET MARKET.
- THE TRADITIONAL MARKETING MIX TOOL CONSIDERED FOUR COMPONENTS:
 - **PRICE**
 - **PRODUCT**
 - **PLACE**
 - **PROMOTION**
- THREE MORE CATEGORIES HAVE BEEN ADDED TO ADDRESS THE SERVICE MARKET:
 - **PROCESS,**
 - **PEOPLE**
 - **PHYSICAL EVIDENCE.**

EXPLANATION OF THE MARKETING MIX

- [HTTPS://YOUTU.BE/DNDSYW5ZU4E](https://youtu.be/dnDsyw5Zu4E)

PRODUCT

A product can be tangible or intangible (in the form of a service) that is built or produced to satisfy the needs of a certain group of customers.

To ensure a strong product or service, a business should consider the following questions:

- What does my customer gain from the product/experience or service?
- What are all the materials that go into the product/experience or service?
- How will my customer access my product?
- What facilities will I need for this experience? For example, do I need a building, boat or service to offer my product/experience or service?
- How is my product different than my competitors?



PLACE

Place refers to the channels you use to distribute your product or service. It must be accessible to your potential buyers and may include retail stores, wholesale warehouse or an online store.



PRICE

Price refers to the amount of money the customer will pay for the product or service and will depend on what type of service they will receive. It is a very important component of the mix because it determines your businesses' profit and survival.

Price should match the customer's needs and wants and may be determined by supply and demand.

Some important questions about pricing to consider include:

- How much does it cost the business to offer this product or service?
- What does the customer think your product/experience is worth?
- What are my competitors charging for a similar experience?
- Is my business seasonal and how will that affect my pricing?



PROMOTION

Promotion refers to the communication part of marketing. This is the advertising, selling, merchandising, public relations and publicity areas of the industry. It is commonly referred to as the promotional mix. The goal is to persuade the customer to purchase your product or service, or to create a positive image of your product or service. You will look at this in more detail later in this module.



PHYSICAL EVIDENCE

Physical evidence is one of the newer components and it refers to the environment in which a service is delivered. It includes the space where the business and customer interact. Examples would include the retail premises, restaurants, hotel premises, company vehicles as well as websites, blogs and social media.



PROCESS

Process is one of the newer components added to the marketing mix. Process refers to the processes of your business and how they affect the product and service you deliver. Examples may include planning, manufacturing, customer service or distribution processes.



PROMOTIONAL STRATEGIES

- THE MESSAGE SHOULD BE **POSITIONED TO THE RIGHT TARGET MARKET** AND SHOULD **CLEARLY DEFINE WHY PEOPLE SHOULD USE YOUR PRODUCT OR SERVICE.**
- YOU CAN'T HAVE A TELEVISION AD SAYING, "**WE OFFER THE BEST VALUE FOR YOUR BUCK**", AND THEN TURN THE RADIO ON TO HEAR, "**WE OFFER THE BEST QUALITY IN TOWN.**"
- CREATING CONFUSION AROUND YOUR PRODUCT IS NOT A GOOD STRATEGY TO WIN CUSTOMERS OVER!
- ADVERTISEMENTS OFFERING **TOURISM EXPERIENCES** OFTEN USE STORIES TO CREATE AN EMOTIONAL CONNECTION TO A POTENTIAL CUSTOMER TO SELL THE EXPERIENCE.

CREATING AN EMOTIONAL EXPERIENCE

- **ADVERTISEMENTS OFFERING TOURISM EXPERIENCES OFTEN USE STORIES TO CREATE AN EMOTIONAL CONNECTION TO A POTENTIAL CUSTOMER TO SELL THE EXPERIENCE.**
- [HTTPS://YOUTU.BE/RXSJU9QOEXO](https://youtu.be/RXSJU9QOEXO)

SOME OPTIONS

- **TRADITIONAL ADVERTISING** COMMUNICATION THROUGH MASS MEDIA (EXAMPLES INCLUDE RADIO, TELEVISION AND PRINT) AND IS OFTEN USED TO LAUNCH A NEW PRODUCT OR SERVICE, OR TO REINFORCE A COMPANY'S BRAND. BUSINESSES PAY FOR THIS TYPE OF ADVERTISING.
- **INTERNET MARKETING** PLACING ADVERTISEMENTS ON THE INTERNET THROUGH PROGRAMMES SUCH AS GOOGLE'S ADWORDS. THIS IS REFERRED TO AS PAY PER CLICK (PPC) ADVERTISING. ALSO INCLUDES BANNER ADVERTISING.
- **DIRECT MARKETING** BUSINESSES SEND MARKETING MESSAGES STRAIGHT TO THE CUSTOMER. EXAMPLES INCLUDE EMAIL, TELEMARKETING, POINT OF SALE DISPLAYS AND MAIL ORDER CATALOGUES.
- **DIGITAL MARKETING** PLACING MESSAGES ON FACEBOOK AND TWITTER (FOR EXAMPLE) TO KEEP CUSTOMERS INTERESTED IN THEIR ORGANIZATION. SOCIAL MEDIA IS ALSO USED FOR PROMOTIONS, FLASH SALES AND DISCOUNTS TARGETED EXCLUSIVELY AT THEIR SOCIAL MEDIA READERS. ALSO INCLUDES BLOGS AND COMPANY WEBSITES.

MORE OPTIONS

- **PUBLIC RELATIONS** PROMOTES GOOD RELATIONSHIPS WITH YOUR CUSTOMERS. INCLUDES SPONSORSHIPS, WHERE A BUSINESS PAYS AN ORGANIZATION OR EVENT MANAGER TO USE THEIR BRAND AND LOGOS.
 - COMMONLY USED IN SPORTING EVENTS, TEAM UNIFORMS AND SOMETIMES IN THE NAME OF AN EVENT.
 - FOR SMALLER, LOCAL BUSINESSES, SPONSORSHIPS COULD INVOLVE LOCAL SPORTS TEAMS, SCHOOL FAIRS AND OTHER COMMUNITY EVENTS.
- **SALES PROMOTION** DESIGNED TO CREATE A SHORT TERM INCREASE IN SALES. EXAMPLES INCLUDE COUPONS, DISCOUNT CODES, LOYALTY AND REFERRAL PROGRAMS, AND FLASH SALES.
- **PERSONAL SELLING** USING A SALESPERSON TO INTERACT WITH CUSTOMERS ON A ONE-TO-ONE BASIS. PERSONAL SELLING MY TAKE PLACE AT TRADE SHOWS, EXHIBITIONS AND SHOWROOMS.

PROMOTIONAL STRATEGIES:

WHAT ARE ADVANTAGES AND DISADVANTAGES OF EACH PROMOTIONAL STRATEGY FROM SLIDE 11 AND 12?

TO BE HANDED IN -MARKETING MIX DECISIONS

- HERE IS WHERE YOU WILL ADDRESS THE ORIGINAL FOUR “P”S OF MARKETING: **PRODUCT, PRICE, PROMOTION AND PLACEMENT (DISTRIBUTION)**. INCLUDE THE FOLLOWING INFORMATION:
- **YOUR PRODUCT/EXPERIENCE**—DESCRIBE EVERYTHING THAT YOU NEED TO OFFER YOUR NEW EXPERIENCE AND THE RESOURCES YOU NEED:
 - DESCRIBE THE NATURAL, CULTURAL OR PHYSICAL CHARACTERISTICS OF THE ATTRACTION WHERE THE EXPERIENCE WILL TAKE PLACE.
 - DESCRIBE THE FACILITIES, SERVICES AND EQUIPMENT THAT MAKE THE TOURISM EXPERIENCE POSSIBLE
 - DESCRIBE HOW VISITORS WILL ACCESS THE EXPERIENCE. CAN CUSTOMERS DRIVE THERE? IS THERE PUBLIC TRANSPORTATION AVAILABLE?
- **YOUR PRICE**—DESCRIBE HOW YOU WILL PRICE YOUR PRODUCT OR SERVICE SO THAT IT WILL BE COMPETITIVE, YET PROFITABLE. THE PRICE IS WHAT THE CUSTOMER IS WILLING TO PAY AND WHAT YOU WILL NEED TO CHARGE, AT MINIMUM, TO COVER YOUR COSTS:
 - PERFORM YOUR COST ANALYSIS TO MAKE THIS DECISION.
 - DESCRIBE HOW YOUR PRICE COMPARES TO WHAT TWO DIFFERENT COMPETITORS ARE CHARGING.

TO BE HANDED IN- MARKETING MIX DECISIONS

- **YOUR PLACEMENT/DISTRIBUTION METHODS** — DESCRIBE WHERE PEOPLE WILL BUY YOUR EXPERIENCE/PRODUCT OR HAVE ACCESS TO YOUR SERVICE. WILL IT BE AT THE LOCATION OF THE EXPERIENCE? ON THE INTERNET?
- **YOUR PROMOTION PLANS**—DESCRIBE HOW, WHERE, AND WHEN YOU WILL ADVERTISE AND PROMOTE YOUR EXPERIENCE. GIVE REASONS FOR THE CHOICES YOU'VE MADE TO PROMOTE YOUR NEW EXPERIENCE

COST ANALYSIS- REFER TO BUSINESS PLAN EXAMPLE

- **YOU WILL NEED TO SHOW YOUR INVESTORS THAT YOUR BUSINESS CAN MAKE A PROFIT. CLEARLY PRESENT YOUR COSTING INFORMATION.**
- **TO DETERMINE YOUR COSTS TO OFFER YOUR TOURISM EXPERIENCE, YOU WILL NEED TO CONSIDER EVERYTHING REQUIRED TO RUN THE BUSINESS:**
 - **COST OF MATERIALS NEEDED FOR THE PRODUCT OR SERVICE.**
 - **HOW OFTEN WILL YOU NEED TO BUY MATERIALS?**
 - **COST OF WAGES OF THE EMPLOYEES YOU WILL NEED TO OFFER THE PRODUCT OR SERVICE.**
 - **YOUR HOURS OF OPERATIONS—WILL THIS BE SEASONAL? HOW MANY HOURS PER DAY WILL YOU BE OPEN FOR BUSINESS? HOW MANY DAYS A WEEK?**
 - **COST OF DISTRIBUTION. HOW WILL CUSTOMERS OBTAIN THE PRODUCT OR SERVICE? WILL YOU NEED TO RENT A BUILDING WHERE CUSTOMERS WILL PAY FOR YOUR TOURISM EXPERIENCE? WILL IT BE ONLINE?**
 - **DETERMINE PROFIT BASED ON THE PRICE CHARGED TO YOUR CUSTOMERS AND THE COST TO THE BUSINESS FOR RUNNING THE EXPERIENCE/SERVICE.**