


MARKETING MIX

The marketing mix is a combination of **price**, **product**, **place** and **promotional** strategies that a business sets to pursue its marketing objectives, also known as the 4Ps.

<u>Product</u>	<u>Price</u>
<p>Refers to the item being sold. The product must deliver a minimum level of performance and meet the needs/wants of the target audience otherwise the product will not be a success.</p> <p>When considering the product a business should consider:</p> <ul style="list-style-type: none"> • The size, weight • Level of quality • Packaging • Function • Design 	<p>The value that is given to a product. The price set depends on the cost to produce the good, the target audience, the price of similar products on the market. The price charged by a business can also help to differentiate a product and create the image of a product</p> <p>Pricing strategies:</p> <p>Price skimming – setting price high and reduce over time as demand for first initial customers is satisfied and need to attract the next income level.</p> <p>Price penetration – setting the initial price low and then increasing over time. Expectation is that customers will switch to new brand due to low price.</p>
<u>Place</u>	<u>Promotion</u>
<p>Place refers to how the product is made available (distributed) to the consumer, making it easy for them to buy. Retailers pay a premium for the right location.</p> <p>A business must consider how widely they will make their product available. Will they use retailers and or wholesalers to stock their goods to sell?</p> <p>Direct: the company sells directly to the selected consumers.</p> <p>Retailers: A business that sells goods to the public for consumption in small quantities e.g. your local newsagents</p> <p>Wholesalers: A company that purchases great quantities from manufacturers. They then sell these goods in large quantities to other retailers e.g. Cash & Carry</p>	<p>How the product will be made known to the target market. Promotion is about creating awareness. This includes advertising, word of mouth, press reports, offers etc. It is important that the promotion designed persuades and informs potential consumers. Promotional activities can be expensive so it is important that a business considers the promotional activities (promotional mix) carefully.</p> <p>Sales promotion – a <u>short term</u> tactic used to persuade the buyer to purchase e.g. Buy one get one free, Coupons, competitions, giveaways, 3 for 2.</p> <p>Advertising – communicating a message to as many people who are likely to purchase the product. This form of promotion usually <u>incurs a cost</u>. E.g. Tv adverts, newspapers, direct mail, radio</p>



Extension Students' information:

The Colour of Sweet Success

Simon Creasey, Packaging News, March 2019

The bursting colours on confectionery shelves inform consumers, consciously or subconsciously, that irresistible treats lie within the packs.



- Regardless of what Cadbury decides to do next, colour remains an important part of the design of any product.
- As Richard Village, director at Smith and Village, explains: "It's the first thing the eye registers and what people look for when they're scanning the shelf for their desired product. They're not seeking a logo or slogan – they're looking for Coca-Cola red or Fanta orange."

The newsagent confectionery counter is a cacophony of colour. You've got Kit Kat's iconic red, Snickers' muddy brown, Mars bars' stylish black and the vibrant yellow Starburst – every colour under the rainbow is represented.

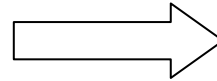
In confectionery colour seems to count more than in any other food category, so the industry was taken by surprise last month when Cadbury appeared to give up its decades long fierce defence of its trademark purple wrappers after it lost an appeal case in January.

- Village says colours can spark memories, sentiment and even hunger in shoppers and the relationship consumers have with brands are not built up overnight.
- "Cadbury has been wrapping its chocolate bars in purple for over a hundred years and it's played a central role in cementing the brand's identity in the confectionery sector and consumer mindset, so it makes sense that they would want to protect it," he adds.

- "The mainstream brands in chocolate, such as Cadbury, Galaxy and Maltesers all utilise bold colours, with purple, brown and red respectively, often in combination with an accent colour, such as white or gold," says Simon Gore, group strategy director at Sun Branding Solutions.

- "Sugar confectionery tends to use more multi-colours, such as the largest brands like Haribo and Maynards, perhaps to target the younger generations of consumers.
- However, the more premium offerings tend to use more subtle colours, layers of textures and metallic finishes to communicate their higher quality and more complex ingredients and tastes."

- Although there are numerous other examples of eye-catching pack designs in the confectionery aisle at the moment, in the future the category faces the looming threat of greater on pack legislation, which could see them required to print health warnings on packaging. This could present significant challenges to both brand owners and designers.



THREE MAIN CHALLENGES

- Colour is such an important weapon in the arsenal of confectionery pack designers, but at the same time brand owners shouldn't become over reliant on it as it's just one element of a brand's design.
- Challenger brands are less dependent on the traditional view of brand design and believe that personality trumps iconography and colour. This presents a problem for heritage brands who are losing market share and want to fight back, but don't want to ditch long-standing pack designs.
- There is an ongoing lingering threat of legislation surrounding nutritional and health information being printed on packs, which would reduce the amount of space for brand messages. Pack designers believe technology, such as QR codes, could be one way of getting around this issue.

TASKS

1. **Define** the following terms: Marketing mix, product, price, place, promotion, price skimming, price penetration, direct distribution, retailer, wholesaler, sales promotion, advertising
2. Design the marketing mix for your product. You could do this using a grid like the one above. Remember to write up your justifications to your decisions e.g. what are the advantages of your chosen strategies for your product idea, why not the other strategies?
3. Design a TV advert using the storyboard worksheet and following the guidance provided.
4. Design the packaging for your product, using the guidance sheet provided.