

**Topic 2.2.5 Marketing Mix and business decisions**

**Core Knowledge**

Each element of the marketing mix can influence another

* **Product** design can influence the **price** charged, especially if costs increase
* The type of **product** will affect the distribution channel (**place**) used; if e-tailing is to be used, the **product** will need to be designed so that posting is easy
* If the business wishes to charge a premium **price**, it will need to use premium retailers (**place**) and use **promotion** strategies that enhance this message of quality
* **Promotional** offers may lower **price**
* A **distribution channel** that uses wholesalers and retailers will increase the **price**

Building competitive advantage:

* **Product –** unique features, quality, design
* **Price –** selling at the cheapest price in a market
* **Promotion –** creating a memorable or catchy campaign can make a product stand out
* **Place –** more stores that rivals, effective websites

**Don’t be a “man on the street”**

* Remember that each element must be considered
* Marketing decisions must be linked to the business overall objectives
* Marketing decisions must be relevant to the individual business and the market it is in – just doing more promotion, or lowering price will not guarantee success

**Synoptic Links**

**Customer needs –** each element of the marketing mix, must meet needs

**Market research** – needs to be completed to understand customer needs

**Market segmentation** – identifying different groups of people

**Finance** – a budget must be agreed for Marketing

**Objectives** – the marketing mix will depend on what the business wants to achieve

**Wider Business World**

**Dyson –** has a competitive advantage due to uniqueness of product

**Lindor chocolate** – unique product, higher price, promotion suggests luxury / handmade, sold in department stores as well as supermarkets. An integrated mix.

**BUSINESS**: ***Creating informed, discerning employees, consumers and future leaders***

**Key Vocabulary**

**Marketing mix –** the four elements that work together to make the marketing of a business or product successful

**Product –** the actual product the business produces / sells. Cost, aesthetics and function need to work together

**Price –** what the customer is charged for the product

**Promotion –** the methods used to inform customer about a product and persuade them to buy it

**Place –** the distribution methods used to get the product from the producer to the consumer

**Competitive advantage** – something a business does that is better than all of its rivals