



**AL-FARABI KAZAKH  
NATIONAL UNIVERSITY**  
High school of Economic and Business

# Marketing Mix analysis

**Lecture 3**

# Tasks

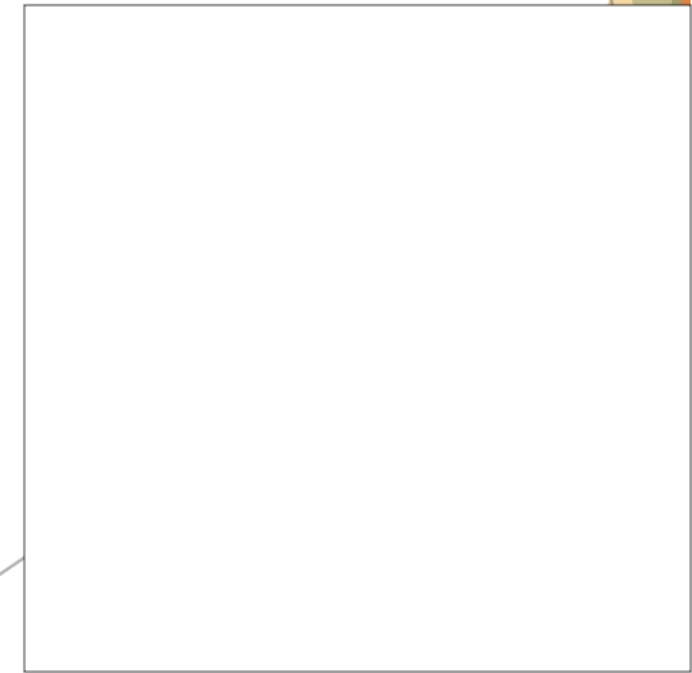
1.1 What is marketing mix?

1.2 Product and price

1.3 Place and Promotion

1.4 People, Process, Physical Environment

1.5 Questions for control



# 1.1 What is marketing mix?

- The marketing mix is one of the most famous marketing terms. The marketing mix is the tactical or operational part of a marketing plan. The marketing mix is also called the 4Ps and the 7Ps.



# Marketing mix

- The marketing mix has been defined as the "set of marketing tools that the firm uses to pursue its marketing objectives in the target market"



**PRODUCT**

**PRICE**

**PLACE**

**PROMOTION**



**PEOPLE**



**PHYSICAL ENVIRONMENT**



**PROCESS**

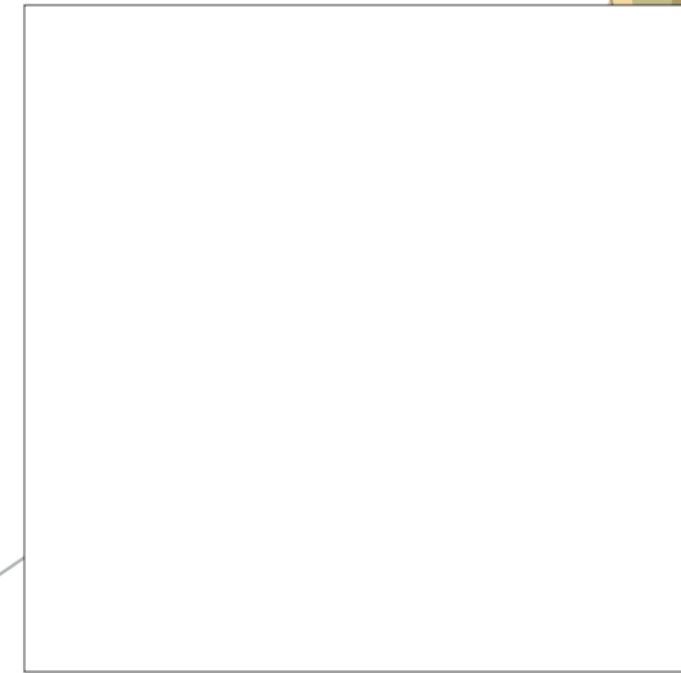
4Ps



7Ps

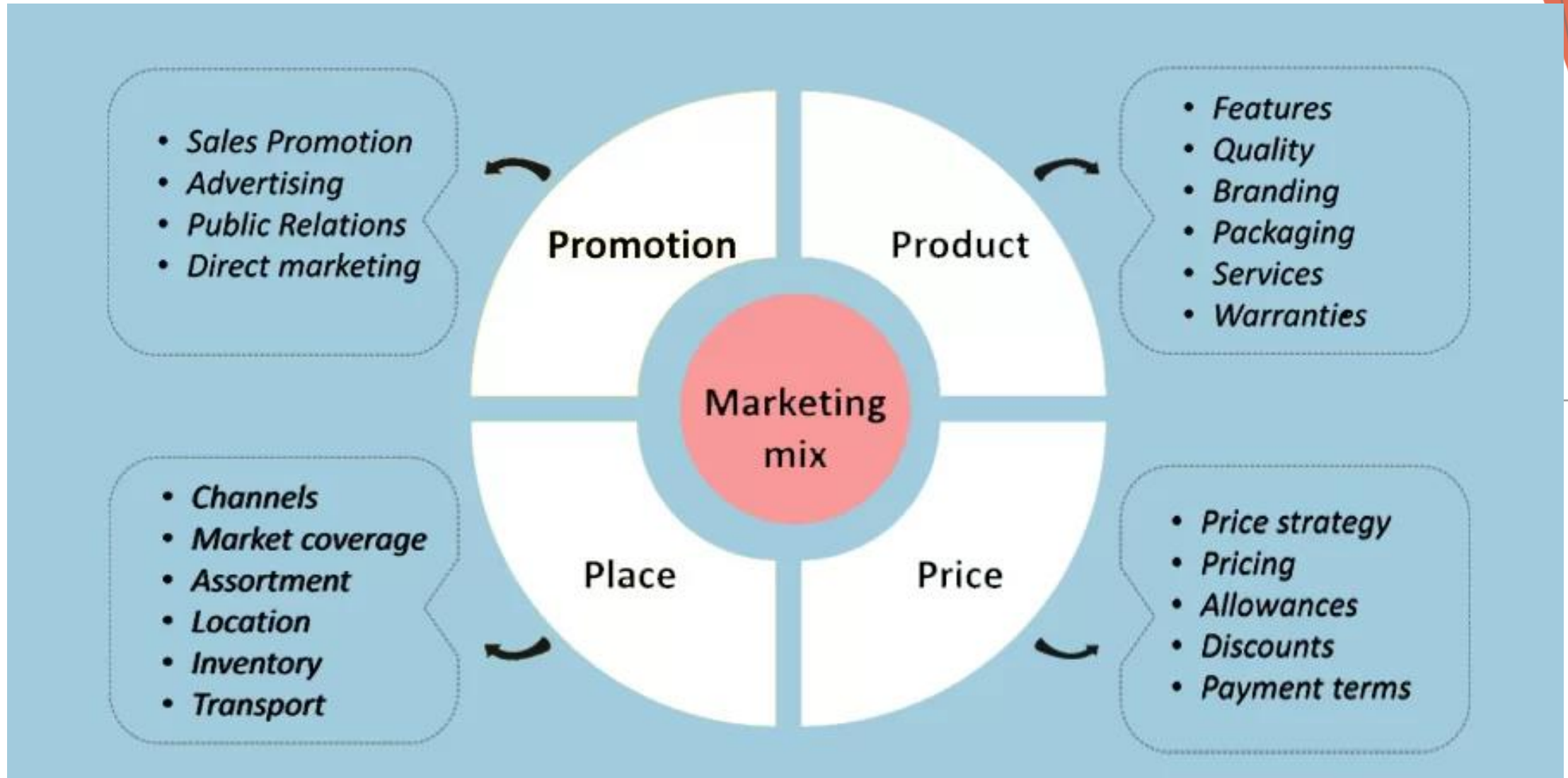


# 7Ps





# Traditional 4Ps



# 7Ps

## Using the Internet to vary the marketing mix

### Product

- Quality
- Image
- Branding
- Features
- Variants
- Mix
- Support
- Customer service
- Use occasion
- Availability
- Warranties

### Promotion

- Marketing communications
- Personal promotion
- Sales promotion
- PR
- Branding
- Direct marketing

### Price

- Positioning
- List
- Discounts
- Credit
- Payment methods
- Free or value-added elements

### Place

- Trade channels
- Sales support
- Channel number
- Segmented channels

### People

- Individuals on marketing activities
- Individuals on customer contact
- Recruitment
- Culture/image
- Training and skills
- Remuneration

### Process

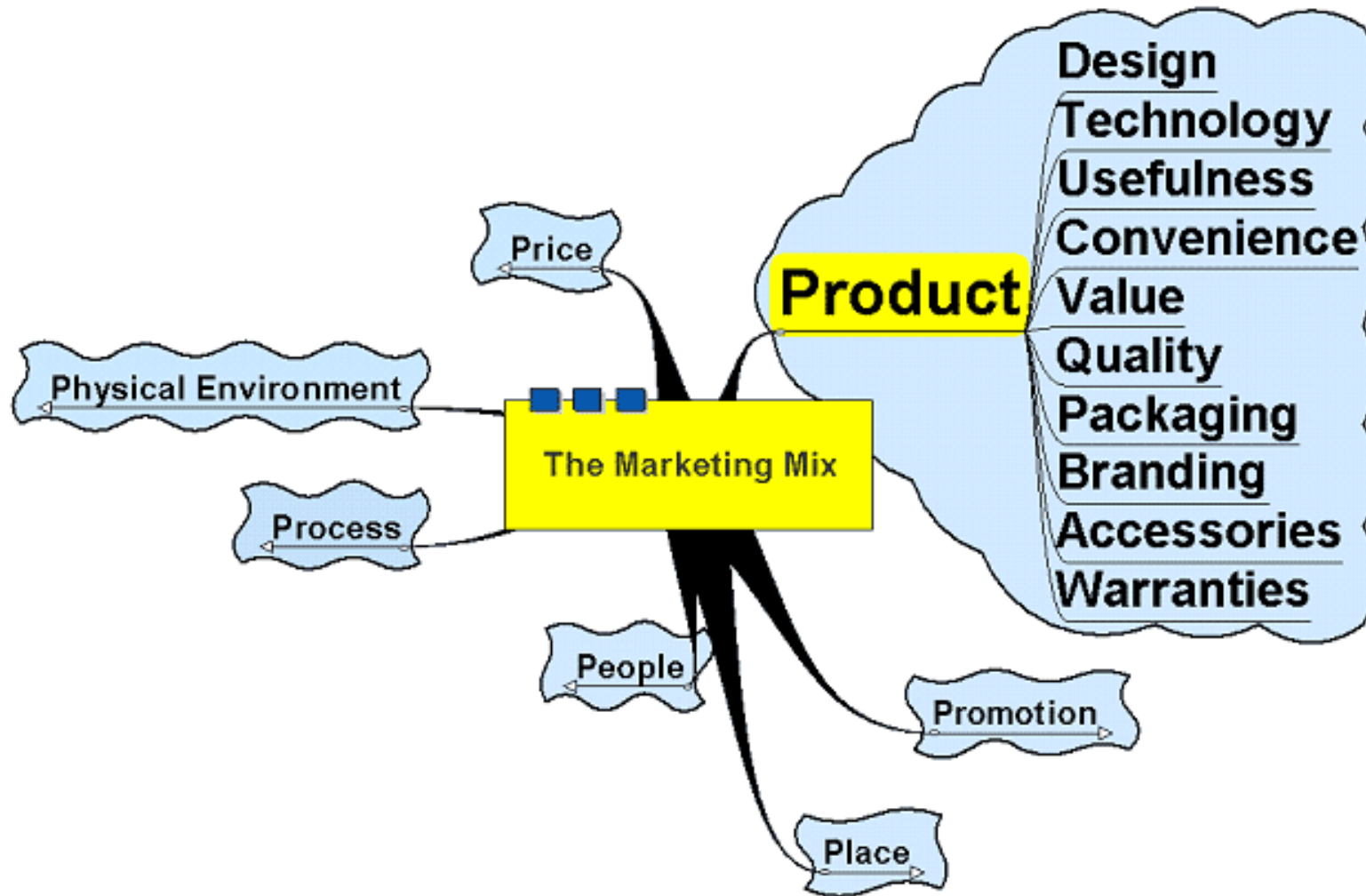
- Customer focus
- Business-led
- IT-supported
- Design features
- Research and development

### Physical evidence

- Sales/staff contact experience of brand
- Product packaging
- Online experience



## 1.2 Product and price

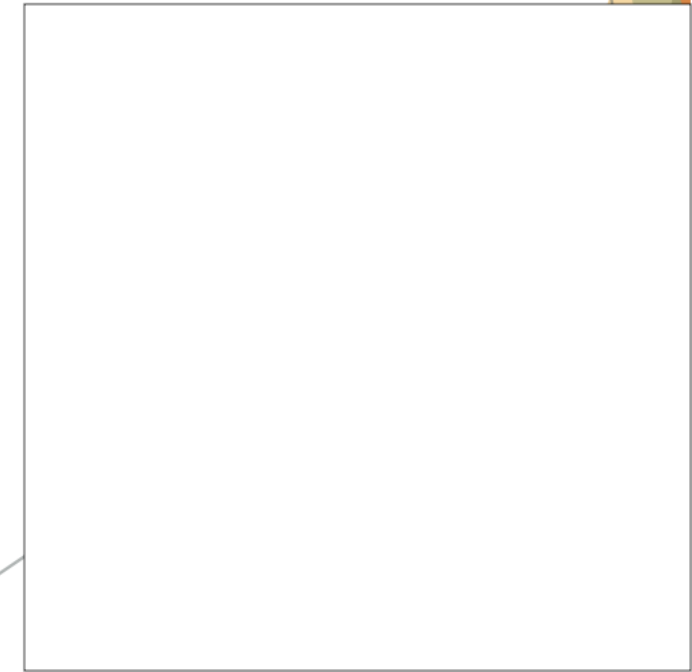


# Product

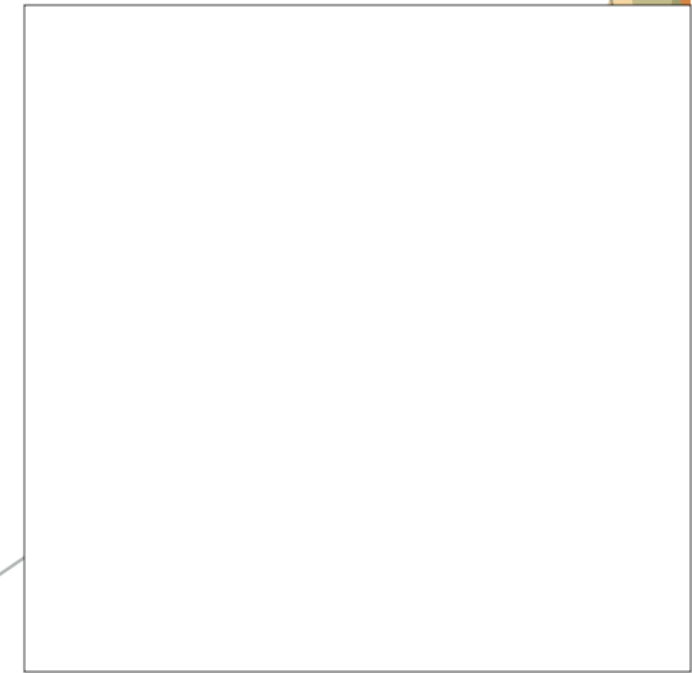
- The firm must come up with a product or service that people will want to buy.
- It must fulfil some need or want.
- It must be (or at least seem) unique.

## In developing the right product, you have to answer the following questions:

- What does the client want from the service or product?
- How will the customer use it?
- Where will the client use it?
- What features must the product have to meet the client's needs?
- Are there any necessary features that you missed out?

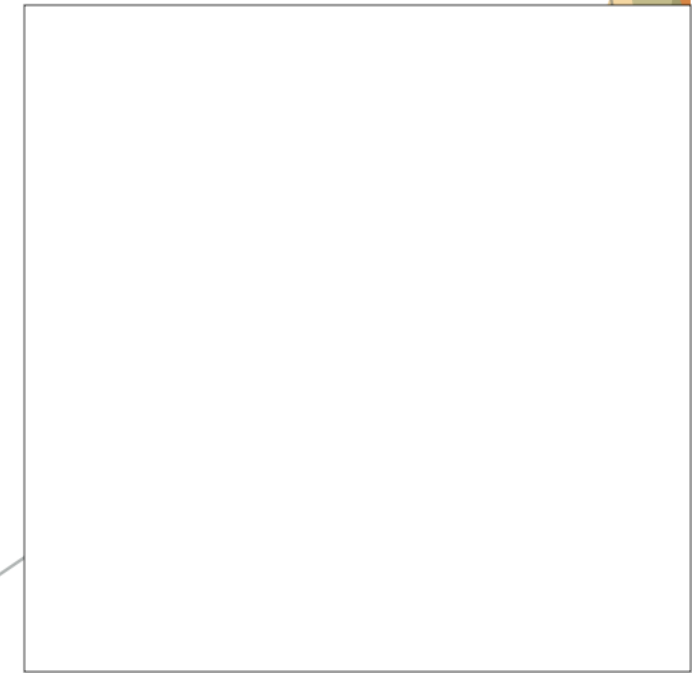


- Are you creating features that are not needed by the client?
- What's the name of the product?
- What are the sizes or colors available?
- How is the product different from the products of your competitors?
- What does the product look like?



# Product analysis

- you will have to evaluate the product's characteristics (design, packaging, functionalities),
- the services attached to it (after-sales service, repair, end-of-life recycling).





# Methods used to improve the product

- Extension strategies
- Specialised versions
- New editions
- Improvements - real or otherwise!
- Changed packaging
- Technology, etc.



# Marketing decisions

- Product design - features, quality
- Product assortment - product range, product mix, product lines
- Branding
- Packaging and labeling
- Services (complementary service, after-sales service, service level)
- Guarantees and warranties
- Returns
- Managing products through the life-cycle

# What is price?



# What is pricing?

- Price refers to the amount a customer pays for a product.
- The price must be one that the customer thinks is good value for money.
- This is not the same as being cheap!
- Prices have a great psychological effect on customers.



## Pricing Strategy

Importance of:

- knowing the market
- elasticity
- keeping an eye on rivals

# Price analysis

- the pricing policy towards your intermediaries
- the discount policy towards your customers
- the payment policy and possible facilities offered to your customers to acquire your products

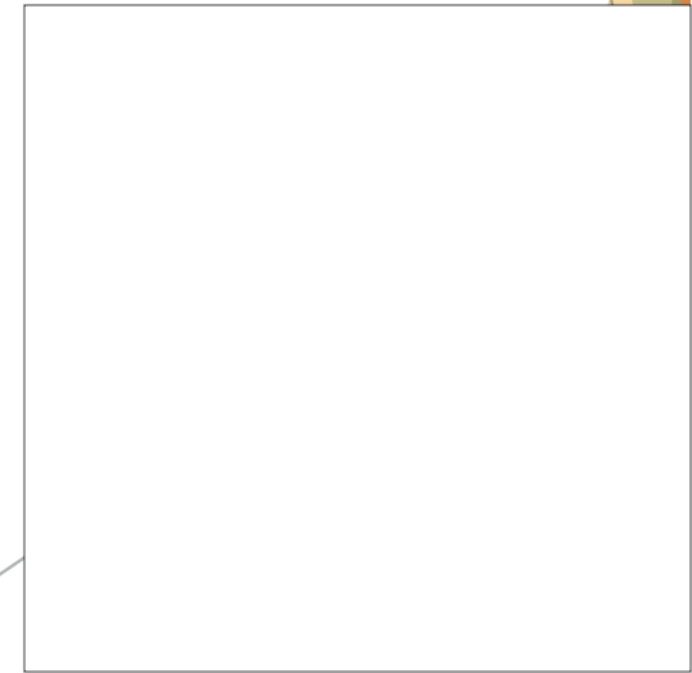


# Marketing decisions

- Price strategy
- Price tactics
- Price-setting
- Discounts - for customers, suppliers, partners
- Payment terms - credit, payment methods

## Pricing Strategy

- International
- Comparative
- Cost plus



## 1.3 Place and Promotion



# Place

- The means by which products and services get from producer to consumer and where they can be accessed by the consumer - marketing channels.
- The more places to buy the product and the easier it is made to buy it, the better for the business.

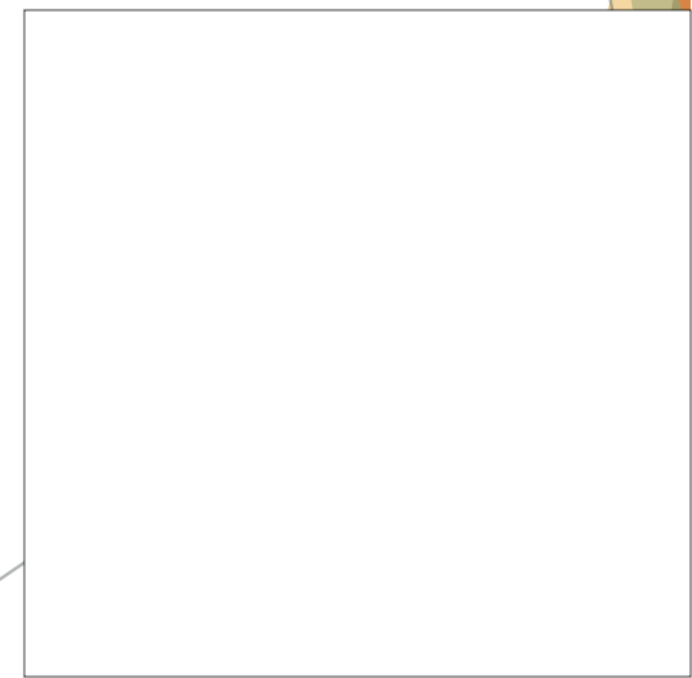
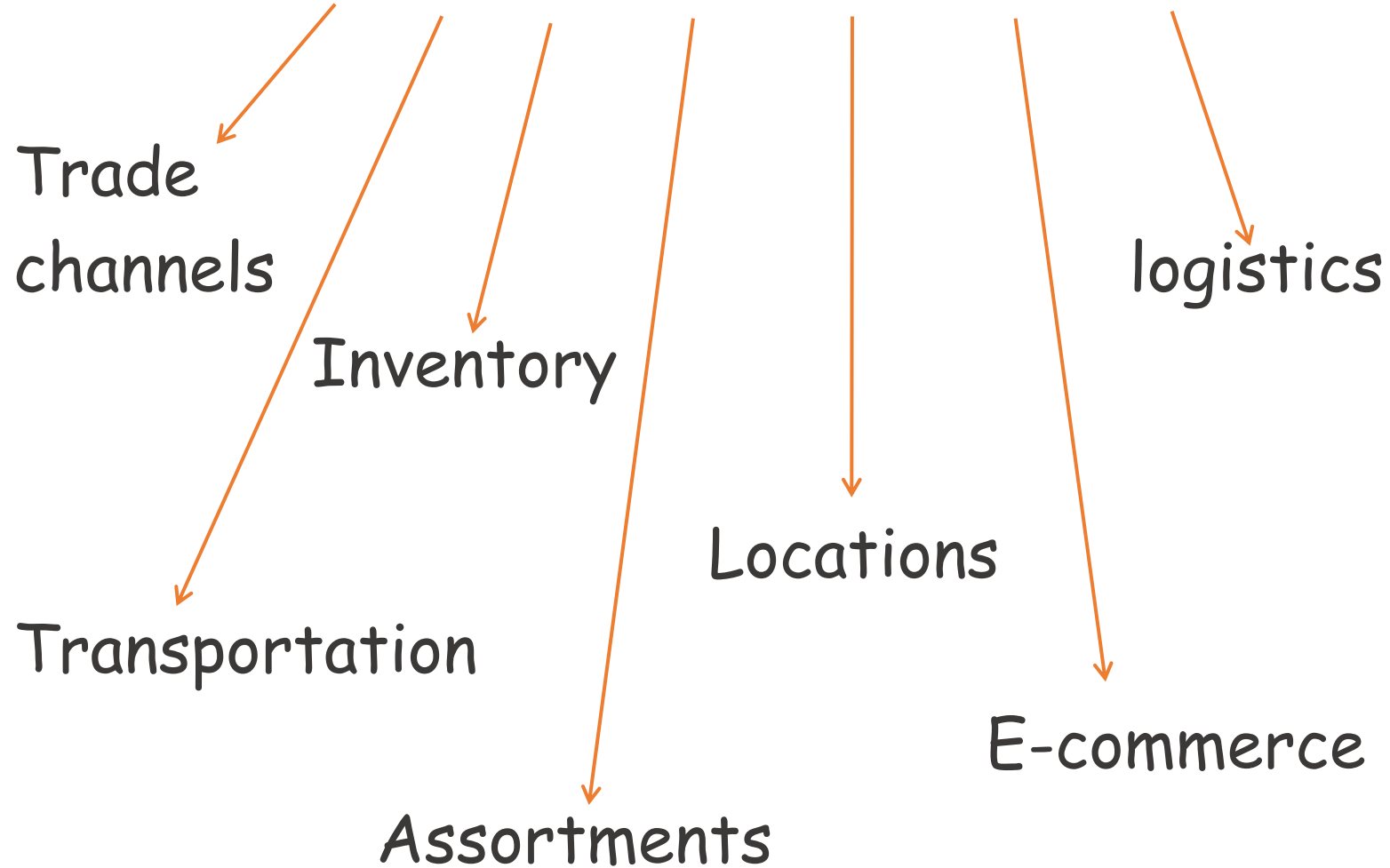
# Place

- In the era of Internet, catalogues, credit cards and phones people neither need to go anywhere to satisfy a want or a need nor are limited to a few places to satisfy them.



Online  
Shopping

# What should consider "Place"?



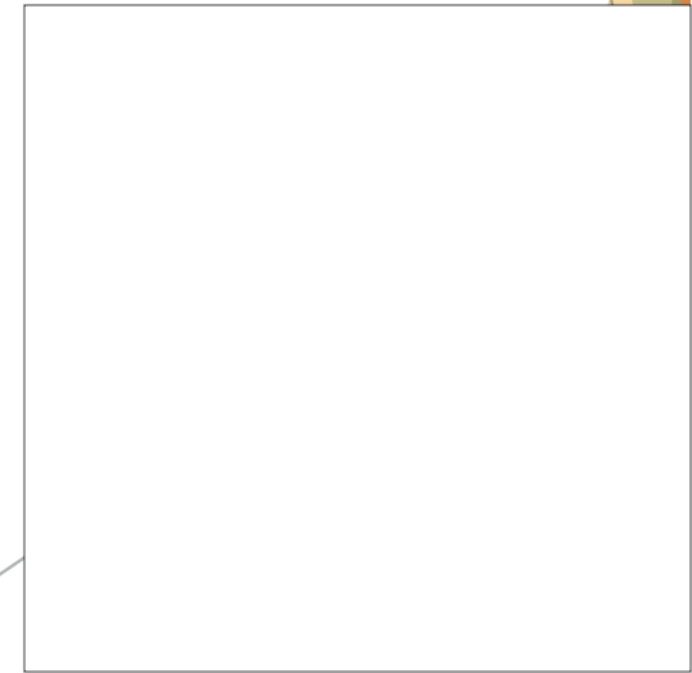


# Place analysis

We analyze how the product or service is distributed.

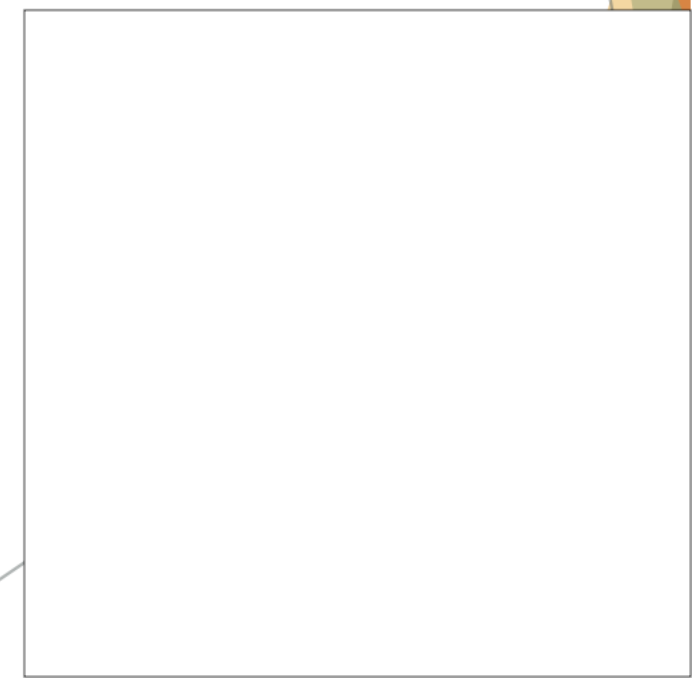
There are three main distribution strategies:

- direct distribution
- distribution via a third-party network
- hybrid (a mix of the 2 previous ones)



# Promotion

- Strategies to make the consumer aware of the existence of a product or service
- NOT just advertising



# Promotion is implemented through marketing communications



# Objectives of promotion

These are:

- To present information to consumers and others.
- To increase demand.
- To differentiate a product.

# The purpose of a promotion

- sales increases,
- new product acceptance,
- creation of brand equity,
- positioning,
- competitive retaliations,
- creation of a corporate image.



# Promotion analysis

- What is the company's position on advertising?
- Are specific media used (sponsoring, influencers, etc.)?
- If so, which channels are favored (digital, radio, TV, press, Out-Of-Home),
- according to what logic are these channels selected?

## 1.4 People, Process, Physical Environment

- This three elements contributed to expansions from the 4Ps to the 7Ps marketing model.
- This 3Ps is generally used in the service industries.

# People

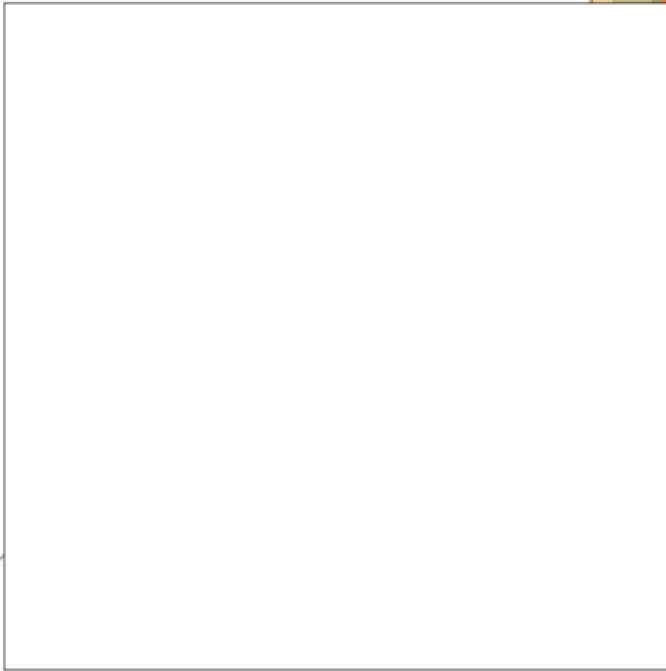


# People

- Employees
- Management
- Culture

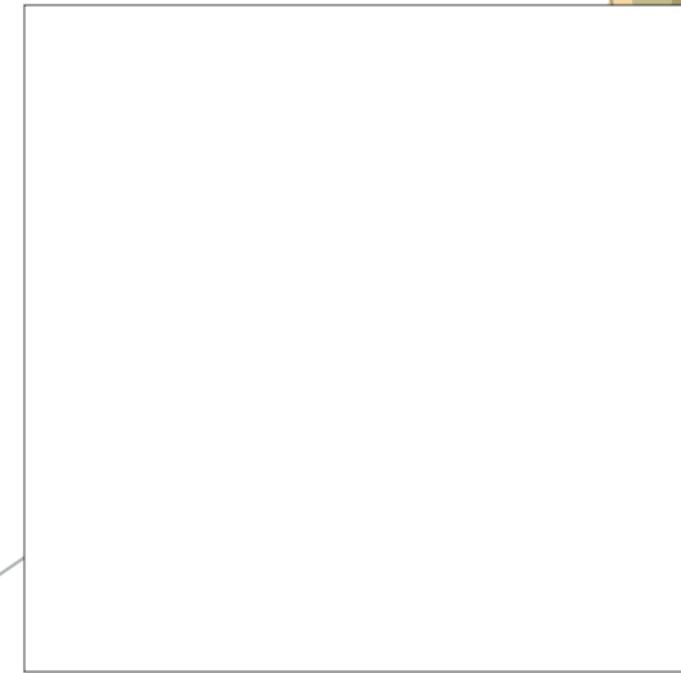


- Customer service

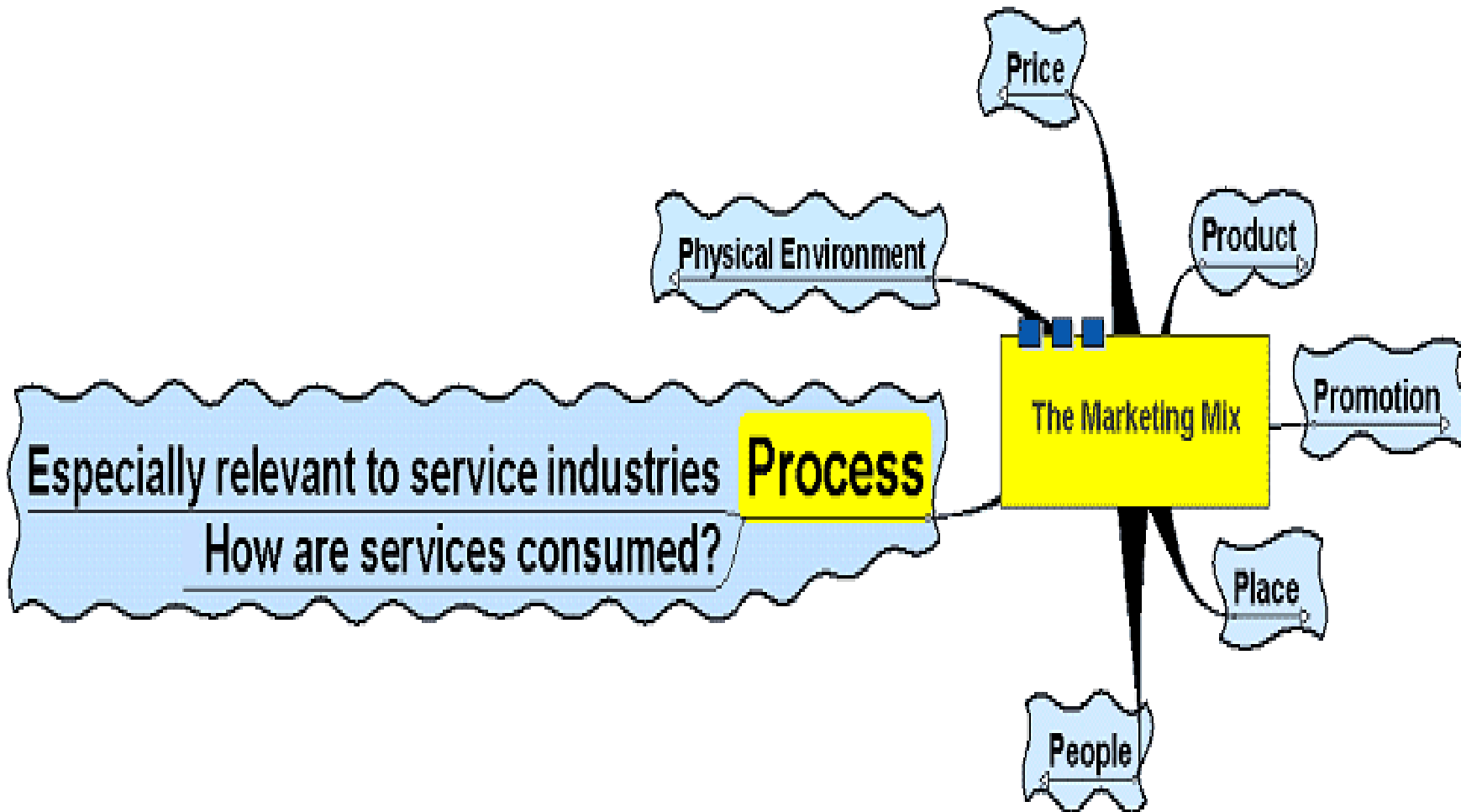


# People represent the business

- The image they present can be important
- First contact often human - what is the lasting image they provide to the customer?
- Extent of training and knowledge of the product/service concerned
- Do staff represent the desired culture of the business?

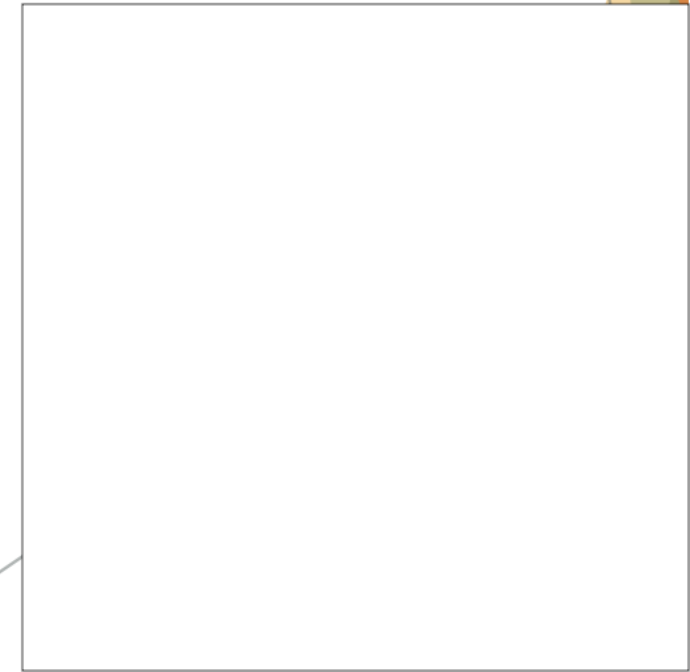


# Process



# Process

- How do people consume services?
- What processes do they have to go through to acquire the services?
- Where do they find the availability of the service?





# Process consists

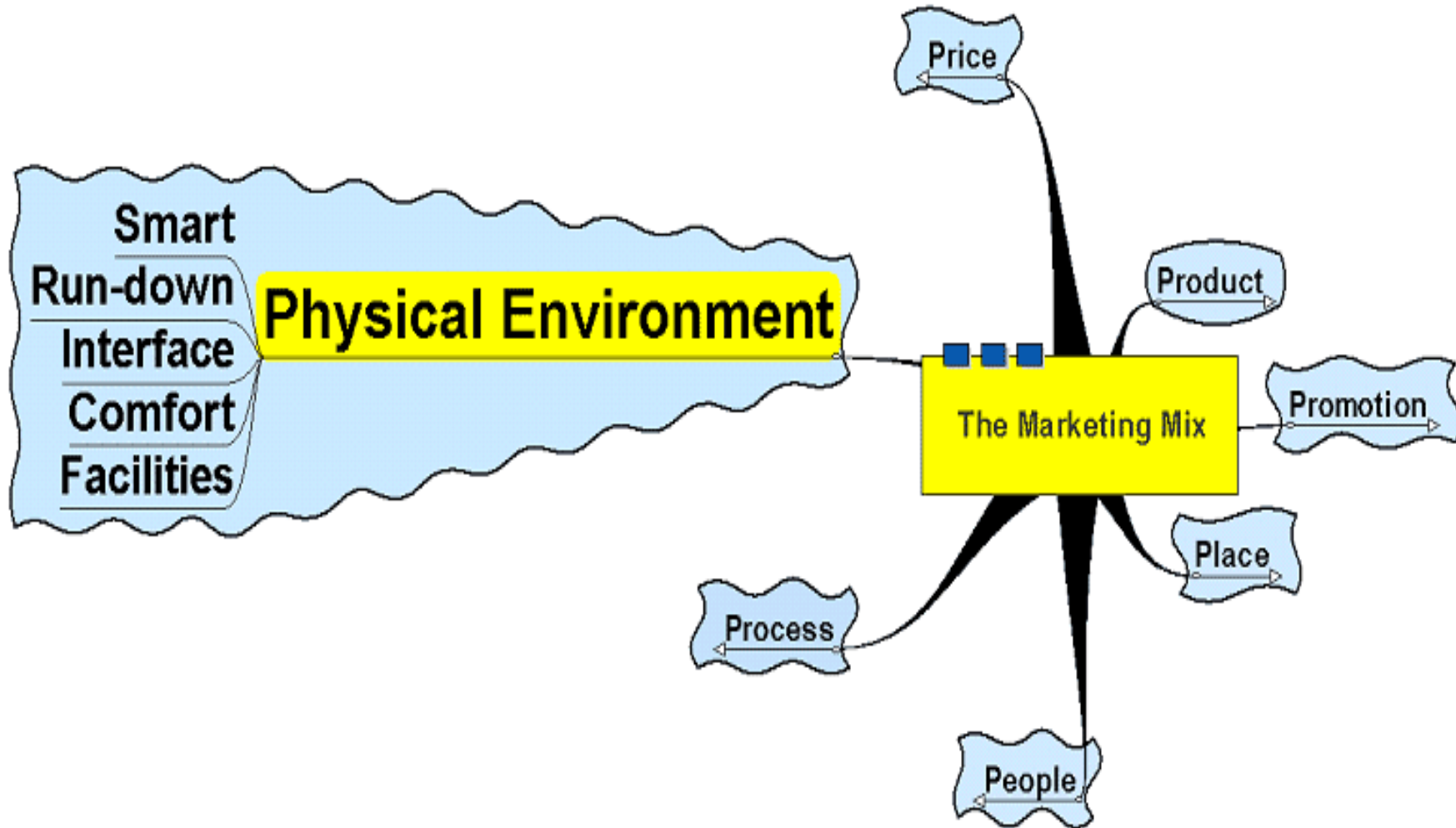
- Contact
- Reminders
- Registration
- Subscription
- Form filling
- Degree of technology



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# Physical Environment



# Physical Environment

it is the tangible elements with which the customer is in contact when he buys the product.

The ambiance, mood or physical presentation of the environment

- Smart/shabby?
- Trendy/retro/modern/old fashioned?
- Light/dark/bright/subdued?
- Romantic/chic/loud?
- Clean/dirty/unkept/neat?
- Music?
- Smell?

# Two different environments

