

**MARKETING DECISIONS**

We have discussed in the past that Marketing decisions have to be taken by the marketers and that they must take into account environment in totality. The decisions have not only to be right, but they must be taken at the right time. We will discuss marketing decisions in mainly four categories

- Product
- Price
- Place (distribution)
- Promotion

The term "marketing mix" became popularized in the 60s . The ingredients in marketing mix included product planning, pricing, branding, distribution channels, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and fact finding and analysis.



**The Marketing Mix**

These four P's are the parameters that the marketing manager can control, subject to the internal and external constraints of the marketing environment. The goal is to make decisions that center the four P's on the customers in the target market in order to create perceived value and generate a positive response.

### **Product Decisions**

The term "product" refers to tangible, physical products as well as services. Here are some examples of the product decisions to be made:

- Brand name
- Functionality
- Styling
- Quality
- Safety
- Packaging
- Repairs and Support
- Warranty
- Accessories and services

### **Price Decisions**

Some examples of pricing decisions to be made include:

- Pricing strategy (skim, penetration, etc.)
- Suggested retail price
- Volume discounts and wholesale pricing
  - Cash and early payment discounts
  - Seasonal pricing
  - Bundling
  - Price flexibility
  - Price discrimination

### **Distribution (Place) Decisions**

Distribution is about getting the products to the customer. Some examples of distribution decisions include:

- Distribution channels
- Market coverage (inclusive, selective, or exclusive distribution)
- Specific channel members
- Inventory management
- Warehousing
- Distribution centers
- Order processing
- Transportation
- Reverse logistics

### **Promotion Decisions**

In the context of the marketing mix, promotion represents the various aspects of marketing communication, that is, the communication of information about the product with the goal of generating a positive customer response. Marketing communication decisions include:

- Promotional strategy (push, pull, etc.)
- Advertising
- Personal selling & sales force
- Sales promotions
- Public relations & publicity
- Marketing communications budget

### **Limitations of Marketing Mix Framework**

The marketing mix framework was particularly useful in the early days of the marketing concept when physical products represented a larger portion of the economy. Today, with marketing more integrated into organizations and with a wider variety of products and markets, some authors have attempted to extend its usefulness by proposing a fifth P, such as packaging, people, process, etc. Today however, the marketing mix most commonly remains based on the 4 P's.

Marketing starts with the product since it is what an organization has to offer its target market. As we've stressed many times in this tutorial, organizations attempt to provide solutions to a target market's problems. These solutions include tangible or intangible (or both) product offerings marketed by an organization.

Distribution decisions are relevant for nearly all types of products. While it is easy to see how distribution decisions impact physical goods, such as laundry detergent or truck parts, distribution is equally important for digital goods (e.g., television programming, downloadable music) and services (e.g., income tax services). In fact, while the Internet is playing a major role in changing product distribution and is perceived to offer more opportunities for reaching customers, online marketers still face the same distribution issues and obstacles as those faced by offline marketers.