

10.16: Finding the Right Marketing Mix

Learning Objectives

- Give examples of the marketing mix



How does an organization determine the right marketing mix? The answer depends on the organization's goals. Think of the marketing mix as a recipe that can be adjusted—through small adjustments or dramatic changes—to support broader company goals.

Decisions about the marketing-mix variables are interrelated. Each of the marketing mix variables must be coordinated with the other elements of the marketing program.

Consider, for a moment, the simple selection of hair shampoo. Let's think about three different brands of shampoo and call them Discount, Upscale, and Premium. The table below shows some of the elements of the marketing mix that impact decisions by target customers.

Table 10.16.1. Comparing Discount, Upscale, and Premium Shampoo Using the Four Ps

4 Ps	Discount	Upscale	Premium
Product	Cleansing product, pleasant smell, low-cost packaging	Cleansing product, pleasant smell, attractive packaging	Cleansing product, pleasant smell created by named ingredients, premium packaging
Promotion	Few, if any, broad communications	National commercials show famous female "customers" with clean, bouncy hair	Differentiating features and ingredients highlighted (e.g., safe for colored hair), as well as an emphasis on the science behind the formula. Recommended by stylist in the salon.
Place	Distributed in grocery stores and drugstores	Distributed in grocery stores and drugstores	Distributed only in licensed salons
Price	Lowest price on the shelf	Highest price in the grocery store (8 times the prices of discount)	3 to 5 times the price of Upscale

A number of credible studies suggest that there is no difference in the effectiveness of Premium or Upscale shampoo compared with Discount shampoo, but the communication, distribution, and price are substantially different. Each product appeals to a very different target market. Do you buy your shampoo in a grocery store or a salon? Your answer is likely based on the marketing mix that has most influenced you.

An effective marketing mix centers on a target customer. Each element of the mix is evaluated and adjusted to provide unique value to the target customer. In our shampoo example, if the target market is affluent women who pay for expensive salon services, then reducing the price of a premium product might actually hurt sales, particularly if it leads stylists in salons to question the quality of the ingredients. Similarly, making the packaging more appealing for a discount product could have a negative impact if it increases the price even slightly or if it causes shoppers to visually confuse it with a more expensive product.

? Practice Question

<https://assessments.lumenlearning.co...essments/14489>

The goal with the marketing mix is to align marketing activities with the needs of the target customer.

✓ Tool Product Lines

Another example of an effective marketing mix comes from a tool company with both B2B and B2C customers, creating three distinct product lines—each with an appropriate marketing mix—to satisfy the needs of the three distinct target customers.

The first product line is an inexpensive set of basic tools for the home, available to purchase almost anywhere, that are advertised on TV. The second line is a moderately-priced set of better tools designed for the workshop enthusiast, distributed through big box home improvement stores that are promoted in DIY magazines. The third line is an expensive set of commercial-grade tools for the construction industry, sold directly at work sites and promoted in professional journals.

Table 10.16.2. Comparing Discount, Upscale, and Premium Tools Using the Four Ps

4 Ps	Discount	Upscale	Premium
Product	Simple, basic home tools	Better tools for workshop use	Commercial quality for construction use
Promotion	T.V. advertising to reach consumers	D.I.Y magazines and web sites	Professional journals
Place	Distributed to all mass market retailers	Distributed through big box home improvement stores	Distributed directly to construction job sites
Price	Inexpensive	Moderate	Expensive

Notice how the characteristics of each segment of the mix are geared for the target customer.

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