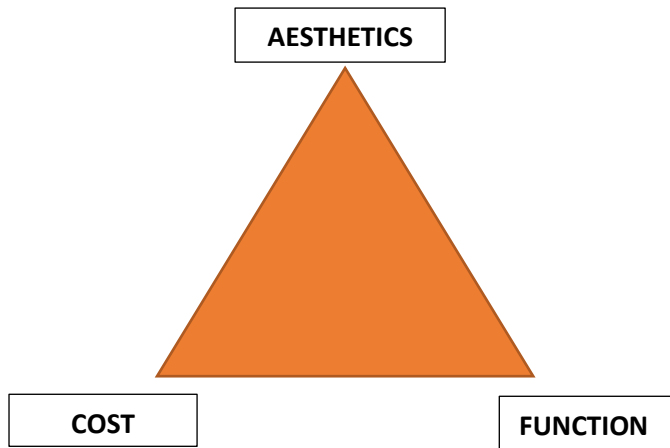


Design Mix

The design mix include the variables that contribute to a successful design.



Aesthetics

Refers to the visual attractiveness of a product

Function

Refers to how well a product does its job

Costs

Refers to how much it costs to make the product

Product Differentiation

Product differentiation is where businesses try to make their products different from those of their competitors

Effective differentiation can give businesses a competitive advantage

Methods of differentiation

- Unique and catchy product name
- High Quality
- Design, formulation or function
- Packaging
- Customer service



The Product Life Cycle

The product life cycle is a model that shows the stages a product will pass through, throughout its 'life'.



Introduction

- The product is launched onto the market.
- Cash flow may still be negative

Growth

- Sales increase sharply
- The product may make a profit

Maturity

- Sales growth slows down
- The market becomes saturated

Decline

- Product is outdated
- Sales begin to fall
- Extension strategies could be introduced

Extension Strategies

Strategies that businesses can increase the life of a product

Strategies include:

- New packaging
- Modified products
- New marketing campaign
- Reducing prices



Price

Price refers to the amount the customer pays for a product or service.

Importance of price

- Gives an indication of quality
- Changes in price can affect demand
- Branded products usually have higher prices

Types of prices

PREMIUM PRICES – Higher prices for luxury brands

COMPETITOR PRICING – Prices based on rival's prices

LOW PRICE – Used for generic (non-branded) goods or to encourage product trial

Branding

A brand is the personality or image of a product, which is generated through marketing activities.



Value of a strong brand

- Brand is instantly recognisable by customers
- Can lead to high levels of brand loyalty
- Customers trust a strong brand
- A strong brand allows a business to charge a premium price

Technology in promotion

Businesses can use technology to reach a wider variety of customers at a lower cost.

Social media

Offers a cheap form of communicating with customers
Provides an opportunity for viral advertising

Apps

Provides opportunities to advertise their products
Customers can order products through the app



Email

Can send e-newsletters direct to customers

Targeted advertising

Websites use cookies to target specific market segments

INTEGRATED MARKETING MIX

The 4Ps of the marketing mix should be interconnected

Decisions made about one element of the mix can directly impact on other elements

Starbucks *product* (coffee to drink in or take away) will have a huge impact on *place* (locating near transport hubs and business / shopping areas).



Place

Place is about making products and services available to customers when and where they want them.

Channels of distribution

RETAILING



Benefits of retailing

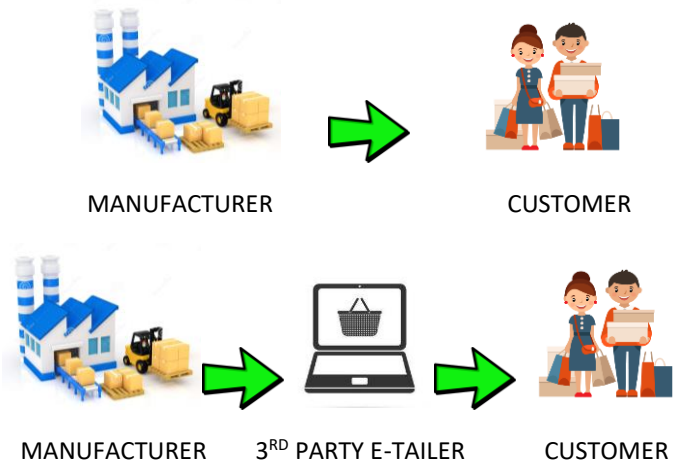
- Customers can browse and try products
- Offers point of sale promotion (displays)
- Retailers can give help and advice
- Many customers enjoy shopping

Location

When locating a site for a retail store, a business must consider:

- Cost
- Proximity to competitors
- Proximity to workers
- Proximity to resources and transport
-

E-TAILING



Benefits of e-tailing

- Businesses do not need to rent expensive shops
- Customers can buy any time of day (24/7)
- Business can access customers worldwide
- Small businesses can compete with larger rivals

Pricing Strategies

There are 2 basic pricing strategies:

HIGH VOLUME PRICING STRATEGY

- Lots of a product is sold at a low price
- Requires costs to be kept low

(e.g.)



HIGH MARGIN PRICING STRATEGY

- Fewer product sold at a high price
- Usually used for premium luxury products
- High degree of value added

(e.g.)



Influences on pricing Strategies

Technology

Technology can help lower production costs meaning prices can be lower

Competition

Prices need to set prices that match or better those of their rivals

Branding

Strong well-known brands can charge premium prices

Costs

The costs of producing the product will directly affect the price charged

Market segment

A business may charge different prices depending on the market segment

	OFF PEAK	PEAK	UPGRADES ADD TO YOUR TICKET PRICE	EXTRA FEE PEAK
ADULT	£8.25	£8.75	IMPACT +£0.25	
CONCESSIONS	£6.75	£7.00	3D SCREENINGS +£1.50	
FAMILY	£27.00	£28.00	3D GLASSES (SEPARATE PURCHASE) +£1.00	

SAVERDAY ALL DAY TUESDAY £4.50 / SAVERDAY IMPACT £5.50

OFF PEAK ALL DAY MONDAY EVENING PUBLIC HOLIDAYS. PEAK ALL DAY FRIDAY SATURDAY SUNDAY & BANK PUBLIC HOLIDAYS. IMPACT 3PM WEDNESDAY & THURSDAY.

Valid on all 18 CINEMA screens. Online purchases will incur an online booking fee of 75p per ticket.
Concessions: Student (on production of valid ID), Senior (over 60), Child (10 years and under).
Family Ticket - 4 people with maximum of 2 Children. Prices above include standard British film only and do not apply to 'Simple Choice' presentations which will be priced separately.

Product Life Cycle

Where the product is in its product life cycle can influence the price.

(e.g.) lower price during the decline stage

Promotion

Businesses use Promotion techniques to create customer awareness and boost sales.

Methods of Promotion

ADVERTISING

(e.g. – TV, radio, websites, point of sale)

Advantages

- Can have a big impact
- Grabs customers' attention

Disadvantages

- Can be expensive
- May not reach the target market

SPONSORSHIP

(e.g. – sponsoring football clubs, music festivals)

Advantages

- Can be seen by lots of people
- Can appeal to a specific target segment

Disadvantages

- Doesn't explain what the product does
- Can be very expensive



PRODUCT TRIALS

(e.g. – free samples, product testing etc.)

Advantages

- Can encourage customers to buy the product

Disadvantages

- Can be expensive to give away free products

SPECIAL OFFERS

(e.g. – buy one get one free, free prize draws etc.)

Advantages

- Can boost short term sales
- Can help clear old stock

Disadvantages

- Not sustainable for the long term

BRANDING

(e.g. – using a well-recognised logo)

Advantages

- Can result in customer loyalty
- Can allow premium prices to be charged
- Can differentiate the product from rivals

Disadvantages

- Takes a long time to build a brand image
- Brand can be damaged by bad publicity