

# The Marketing Mix

*Attracting your target market through an integrated effort*

## Overview

This lesson assumes completion of the Target Market and Positioning/Branding topics. In this lesson, we look at using the findings from the aforementioned topics to consider changes to your products/services, your place of business/distribution, your pricing, and your promotions/advertising in order to convey your Positioning/Branding to your Target Market.

We adjust our Marketing Mix (Product, Pricing, Place, Promotion) to appeal to our target market in ways that is consistent with our positioning and branding.

Many people think of marketing as synonymous with advertising. It is not. Marketing is everything you do to purposefully encourage people to do business with you, as will become clear when you do the exercises in this lesson.

## Why is this important?

Once you know your target market and have defined how you want them to think of your company/products/services, you can encourage them to prefer your company/products/services over the competition, thus increasing your sales and giving you more control over demand and pricing.

By aligning our Marketing Mix, we better ensure that our marketing is integrated, cohesive, and effective.

## Objective

Although not part of the Marketing Mix, it is very useful to define an objective of your

near-term marketing efforts. Is it to establish awareness of your brand? Launch a new product? Sell your product in a new area or different type of customer? Simply increase sales?

By knowing what the objective is, we can better focus our efforts on achieving them. For example, if I want to launch a new and unique product, I may decide to emphasize demonstrations and sampling (promotion) and offer introductory pricing or offer it to stores on consignment (pricing).

Think about what you want your marketing efforts to achieve over the next year and write down your marketing objective.



## The Marketing Mix

Given what you know about your target market

and positioning and branding, what might we change in each of the following areas (products, price, place, promotion) to better appeal to them and reinforce/convey our positioning/branding?

An example: My target market is health-conscious, Honolulu-based young adults without or with very young children, and my desired positioning is “The most nutritious vegetables, grown right here in Hawaii.” Just a few appropriate things I might do with my Marketing Mix are:

### Product

- *Bag my product in clear bags to accommodate a label, which will have my company name, logo, and website, emphasize Hawaii-grown, and show a comparative analysis of the nutrient*

*content of my product versus a mainland competitor.*

- *Label space permitting, add something about environmental benefit of being grown here (significant portion of my target market is also concerned about environment).*
- *Volume in each bag will be around two single servings.*

#### Price

- *Premium versus imports. On a per pound basis, slight premium over local (target is typically not a “value” buyer, small quantity bag should make premium pricing less of an issue, and can enhance perception of a premium product).*

#### Place

- *Sell and deliver to specialty grocers (and supermarkets if volume permits) in Honolulu, focusing on areas of high concentrations of my target market.*
- *Sell over the Internet for on-farm pickup.*

#### Promotion

- *Shelf tag with my brand, slogan, logo and expanded descriptions of nutrition (and possibly environmental) benefits of my products.*
- *Web site with a blog about what I’m doing to maximize nutrient content of my products.*
- *Get food providers at events in Honolulu that attract healthy young adults to use my products (perhaps with donated products) with mention of my company and slogan somewhere (menu, program, table cards where food is served).*

From the above example, can you see how knowing my target market and positioning led me to these decisions about my Marketing Mix?

Here is a simple process to create and benefit from a Marketing Mix of your own:

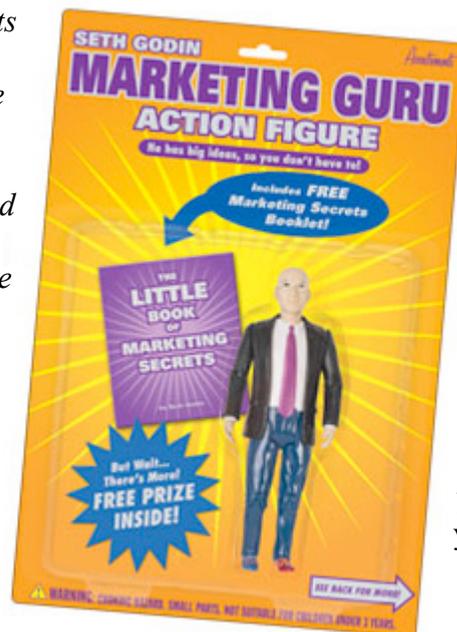
1. Brainstorm and write down all the changes you could make for each element of the Marketing Mix that would appeal to your target market and/or promote your positioning. Examples are listed but don’t feel limited to the examples. Getting ideas from people in your target market is especially useful.
2. Select the ideas/changes that are willing to implement now, considering cost, effort, impact (appeal to your target market), and consistency with your positioning.
3. Schedule when you will implement or start implementing each idea and determine a budget.
4. Implement the ideas!

Remember, you don’t have to be a creative marketing genius! There is incredible value in thinking through what you can do to appeal to your target market and what you can do to foster customer perception about your company and brand (positioning). You will probably find that having gone through this exercise, you will become more aware of marketing impacts and opportunities.

The greatest value, of course, comes in taking action to implement these ideas. Treat Marketing as a business function instead of merely an occasional thought and effort. Doing so will give you a great competitive advantage!

#### Product (or Service)

What can you do with what you offer that is appealing to your target market and



supports your positioning? Some examples to consider:

- Product size (*snack size, party size, Costco size, single serving, etc.*)
- Bundling (*small packet of chili sauce and a recipe with the long beans, etc.*)
- Packaging material (*extra protection from bruising, biodegradable, glass instead of plastic jar, etc.*)
- Label (*Company name on the twist-tie, recipe attached to rubber band, etc. See especially your Branding Elements from the Positioning lesson*)
- Warranty (*money back guarantee, 30 minute delivery guarantee, etc.*)
- Quality (*vine ripened, stricter quality control, more cleaning, etc.*)
- Features/Varieties (*stem attached, hot/medium/mild versions, etc.*)

### Price

I hope you are not pricing simply based on what your competition charges, or worse, what the wholesaler decides to pay. Differentiate yourself through focus on target markets, positioning/branding, and effective use of the Marketing Mix.

You should certainly know what it really costs you to offer your goods or services. See the *Cost of Production* lesson elsewhere in this guidebook.

Pricing can be a marketing tool. What can you do with what you charge that is appropriate for your target market, positioning, and marketing objectives? Some examples to consider:

- Premium (*Used to support perception of a premium product*)
- Penetration (*Temporarily lower to gain market share/shelf space*)
- Economy (*Lower pricing to appeal to price-conscious target market*)
- Volume (*Discounts for purchasing larger quantities*)
- Bundle discounts (*Discounts for buying additional different items from your product line; good for encouraging sales*

*volume and encouraging trial of new/less popular item when bundled with more popular item)*

- Psychological (*\$1.95 can “feel” significantly less than \$2.00*)
- Product line (*Multiple versions at different price points; e.g., small/med/large*)
- Options (*Base product/service at a palatable price, add-on options offered*)

### Place (Distribution)

The way in which you get your product to market and where the product is offered (including your own retail location) can be a marketing tool. The different options will differ in their cost, transportation time, geographic reach, quality and presentation of your delivered product, and services provided. As always, your target market, marketing objective, and positioning should guide your decisions—where they shop, how they like to buy, etc.

Keep in mind that, while wide distribution tends to increase sales volume, it can often mean higher costs and effort, and lower margins. Some examples of choices to consider:

- Intensive (*Offer the product in as many locations as possible for geographic reach and customer convenience*)
- Exclusive (*Sell in one or very few locations to support a perception of “specialness” and a higher price*)
- Selective (*Sell in specific types of stores and/or locations for geographic reach with a manageable number of locations*)
- Indirect (*Leverage the geographic reach, infrastructure, experience, and services of wholesalers and retailers*)
- Direct (*Typically gain higher margins and more customer contact versus Indirect, but requires more effort and cost. Direct includes mail order, on-farm, Internet, mail order, farmers’ market, CSAs*)

- Shipping (*Flat rate or reflective of the individual order shipping cost?*)
- Services (*Who will handle: Warehousing, Order processing, Inventory management, Packaging, Materials handling, Receiving, Transportation & shipping, Returns/warranty, Sales/Promotions?*)

### Promotion

Consisting of the activities you may have typically considered “marketing,” including the following examples. Which promotional activities will reach your target market, encourage them to buy, and be cost-effective?

- Advertising (*Yellow pages, newspaper, magazines, radio, television, Email, web banners/links/etc.*)
- Trade shows (*Food manufacturing, restaurant industry, consumer shows; useful for networking also*)
- Sponsorships (*Sports teams, events*)
- Direct mail (*Allows for good targeting*)
- Personal selling (*Salesperson calling on stores*)
- Sales promotions (*Coupons, retailer discount for first purchase, in store demos, point of purchase displays, rebates, contests*)
- Public relations (*Press releases and public events*)
- Guerrilla/Other (*Blogs, gifts, giveaways, contests, frequent/new buyer programs, exclusive offerings, events, cross promotions, referrals and word of mouth*)

### Next steps and Resources

- Other marketing topics mentioned in this lesson are available from:  
Oahu Resource Conservation District  
99-193 Aiea Heights Dr. #111  
Aiea, HI 96701  
(808) 483-8600 x113
- Apply for personalized assistance from:  
Agribusiness Incubator Program  
3050 Maile Way, Gilmore 115  
Honolulu, HI 96822  
(808) 956-3530  
<http://aip.hawaii.edu>

Small Business Development Corp.  
[www.hawaii-sbdc.org](http://www.hawaii-sbdc.org)

### More information:

- Marketing mix  
[www.learnmarketing.net/marketingmix.htm](http://www.learnmarketing.net/marketingmix.htm)
- Marketing mix  
[www.marketingteacher.com/Lessons/lesson\\_marketing\\_mix.htm](http://www.marketingteacher.com/Lessons/lesson_marketing_mix.htm)
- Trade shows [www.tsnn.com](http://www.tsnn.com)
- Direct marketing [www.the-dma.org](http://www.the-dma.org)
- Choosing an appropriate location for business  
[www.nolo.com/article.cfm/objectID/3AFBBD6F-1BDF-403A-A78ABD2109684A46/111/228/142/ART](http://www.nolo.com/article.cfm/objectID/3AFBBD6F-1BDF-403A-A78ABD2109684A46/111/228/142/ART)
- Statistics-Production, Marketings, and Wholesale Prices  
[www.hawaiiag.org/prices.htm](http://www.hawaiiag.org/prices.htm)
- USDA State Marketing Profiles  
[www.ams.usda.gov/statesummaries](http://www.ams.usda.gov/statesummaries)
- Small Business Development Corp tutorials [www.sbdnet.org](http://www.sbdnet.org)

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