

**TASK 4: DEVELOP THE MARKETING MIX ANALYSIS**

**Objectives**

Student will be able to:

- Understand and comprehend the Marketing Mix
- Arrange the Company’s Marketing Mix

**Introduction**

Marketing Mix constitutes a set of marketing components which are controllable and usable by the company in achieving the marketing objectives.

**Preparation of Tools and Materials**

- Laptop/ Computer for each Department
- Internet Connection

**Activities**

No	Activities	Duration
1	Facilitator will explain the components of marketing mix which consist of: <ol style="list-style-type: none"> <li>1. Product. Product is a combination of goods and services produced by the company and offered to the target market. Product has its own factors, such as: quality, characteristic, trademark, packaging, services and warranty.</li> <li>2. Price: is an amount of money paid by the consumer to the producer in order to obtain a product. This variable has some factors, such as: price list, price discount, credit requirements and methods of payment.</li> <li>3. Place. Placement or distribution is an activity done by a company so a product can be obtained and available for consumers. This variable consists of location, transportation, and inventory on distributor and retail level.</li> <li>4. Promotion. Promotion is an activity done by the company to communicate the benefit of its product and to ensure the targeted consumer to purchase the company’s product. The instrument contained in this variable will consist of: advertisement, personal selling, promotion, sales, and publication.</li> </ol>	10’
2	Each department will discuss the determination of each component of the marketing mix, including the pricing strategy below.	30’
	In terms of pricing, it has been explained that the main factor in setting up profit from all products is its price. The Company must determine the suitable price for the target market of the company. There are several strategies used in the product Pricing, such as: <ol style="list-style-type: none"> <li>1. Premium Pricing This strategy applies a high price to create an exclusively high quality image against the product. Commonly, it is applied to the special and luxurious product sold at mall booth or branded boutique. For example: Roll Royce, Rolex, Guess, Prada and others.</li> <li>2. Penetration Pricing This strategy is usually adopted by new product by applying the lowest price or cheaper price compared than the other competing product price, in order to create fast market penetration and also to build brand loyalty by the consumer. For example: Service rate for Operator “3”, instant</li> </ol>	

	<p>noodle, and others.</p> <p>3. Economy Pricing This strategy is commonly adopted by a wide range of businesses including generic food suppliers and discount retailers, economy pricing aims to attract the most price-conscious of consumers. With this strategy, businesses minimize the costs associated with marketing and production in order to keep product prices down. As a result, customers can purchase the products they need without frills.</p> <p>4. Price Skimming This strategy is adopted by setting a high price at the initial time of product launch and then the company will gradually lower its price over the time when the new competing products arise. For example: Handphone, laptop, and others.</p> <p>5. Psychological Pricing A company will set an odd prices or little less than the predetermined prices for the purpose of psychological gimmick so that the purchaser/ buyer will think that the product to be purchase has the lower price. For example: A product labelled with the price of 100,000 will be displayed as 99,900, in which the consumer might see 99,900 is much cheaper than 100,000.</p> <p>6. Bundle Pricing This strategy is done by applying a specific price discount when the consumer purchases a product in large quantities. For example: If price for a packet of instant noodles is 1,500; then the consumer only needs to pay 1,000/ packet if he/ she purchases 1 box containing 40 packets of instant noodles.</p>	
3	Each department will briefly present the discussion result. Appoint 1 member from the marketing department to collect and take a note for the crucial points of marketing mix.	20'

**Output**

- Analysis of Marketing Mix
- Initial Business Plan

**Reference**

Kotler, Philip. 2003. Marketing Management. Prentice Hall.