

The Marketing Mix (The 4 P's of Marketing)

The major marketing management decisions can be classified in one of the following four categories:

- Product
- Price
- Place (distribution)
- Promotion

These variables are known as the **marketing mix** or the **4 P's of marketing**. They are the variables that marketing managers can control in order to best satisfy customers in the target market. The marketing mix is portrayed in the following diagram:

The firm attempts to generate a positive response in the target market by blending these four marketing mix variables in an optimal manner.

➤ **Product**

The product is the physical product or service offered to the consumer. In the case of physical products, it also refers to any services or conveniences that are part of the offering. Product decisions include aspects such as function, appearance, packaging, service, warranty, etc.

➤ **Price**

Pricing decisions should take into account profit margins and the probable pricing response of competitors. Pricing includes not only the list price, but also discounts, financing, and other options such as leasing.

➤ **Place**

Place decisions are those associated with channels of distribution that serve as the means for getting the product to the target customers. The distribution system performs transactional, logistical, and facilitating functions. Distribution decisions include market coverage, channel member selection, logistics, and levels of service.

➤ **Promotion**

Promotion decisions are those related to communicating and selling to potential consumers. Since these costs can be large in proportion to the product price, a break-even analysis should be performed when making promotion decisions. It is useful to know the value of a customer in order to determine whether additional customers are worth the cost of acquiring them. Promotion decisions involve advertising, public relations, media types, etc.