

Consumer Studies 1202



M a r k e t i n g

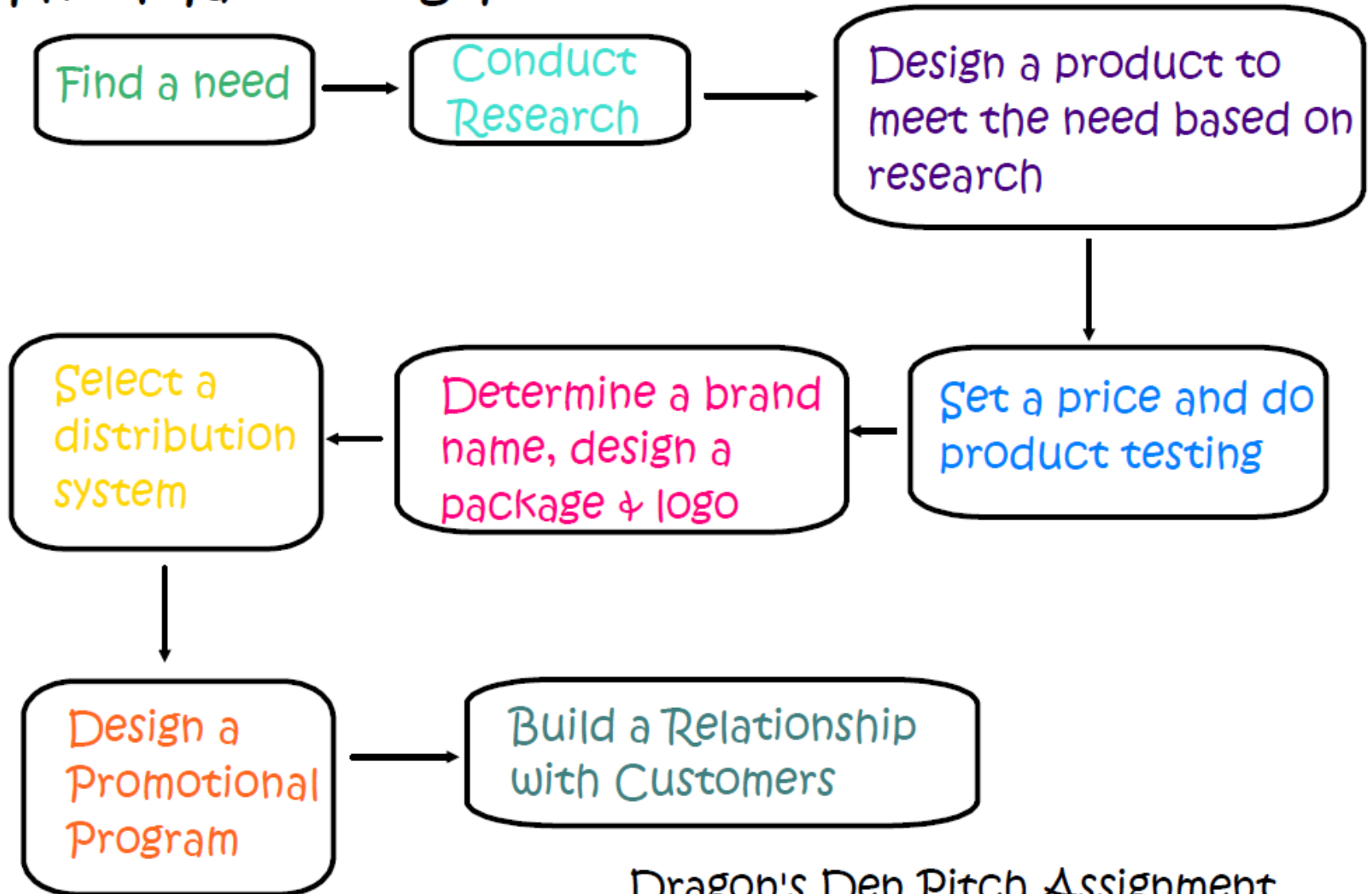
What is Marketing?

- **Marketing** links the business to the customer by identifying and meeting the needs of customers.
- Get the **right product** at the **right price** to the **right place** at the **right time**.
- Every time you buy something, watch TV, look online or flip through a magazine you are being exposed to some very persuasive marketing techniques. Learning about marketing will help you become a more informed consumer.

Marketing involves

- Market research
 - Product development
 - Sales
 - Advertising
 - Distribution
 - Promotion
-
- Without marketing, not much would get sold.
 - Customers wouldn't know what goods or services were being sold, would not know about trends, how products improved.
 - Manufacturers wouldn't have research to know what to make, wouldn't have the distribution channels to get the products into hands of the consumers.

The Marketing Process



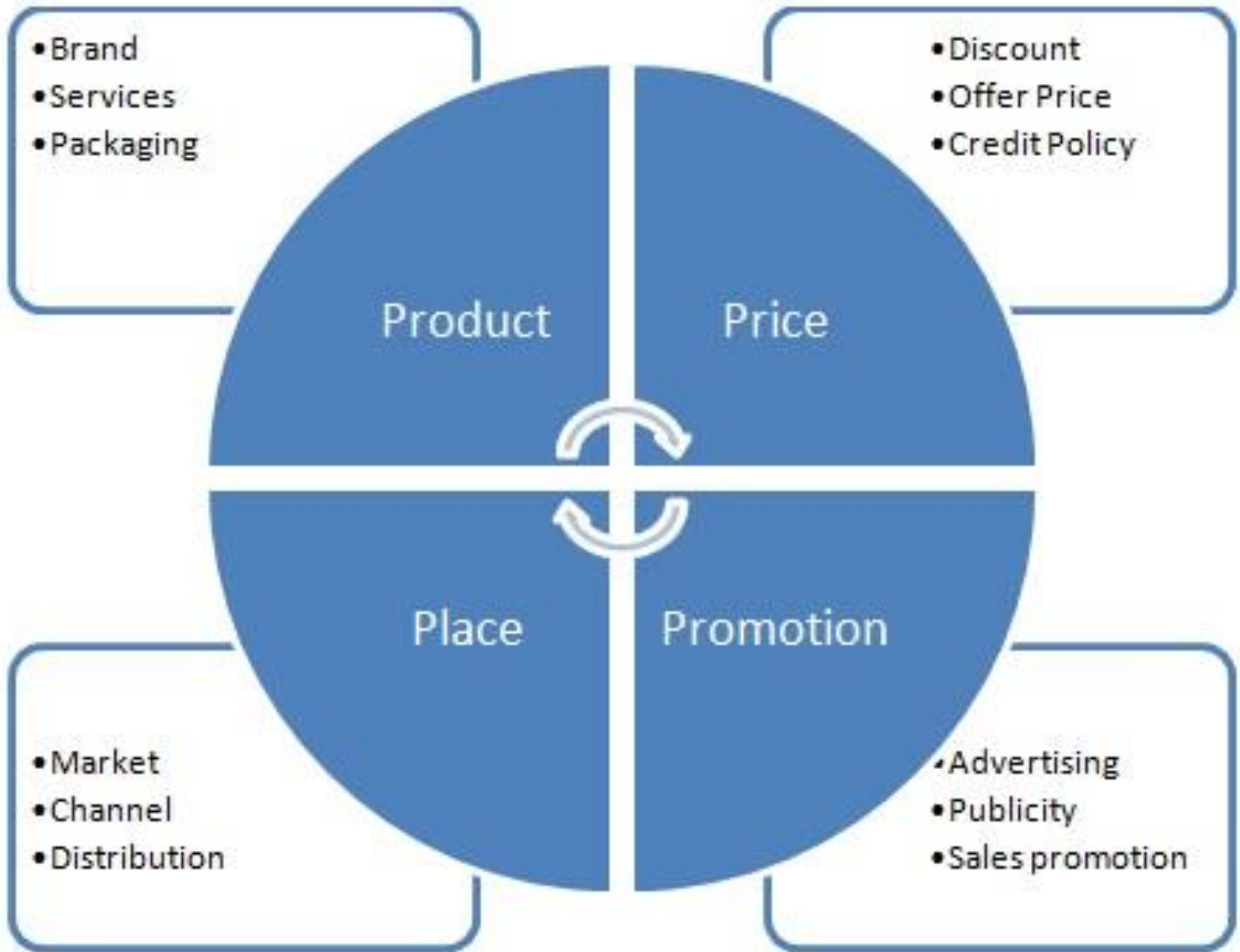
Dragon's Den Pitch Assignment

Two main functions of marketing:

1. Helps businesses determine its target markets and sell their product
2. Give costumers what they want! *The 4 P's*

The 4 P's

- Referred to as **The Marketing Mix**
 - All four are essential to the success of a marketing plan for either a product or a service
- **4 P's:**
 - Product
 - Price
 - Place
 - Promotion
- A mix of the four is necessary to sell a product



The Marketing Mix

- Think of a Cake
- All cakes need 4 things – flour, egg, sugar, milk
- However, you can play with the flavour of your cake by changing the ingredients slightly
 - Example: Sweeter cake – add more sugar



The Marketing Mix

- The same thing is true with the marketing mix
- You can vary the type of message you are sending out about your product/service by mixing different elements of each of the P's
- **Example:** Want to be seen as a luxury item – make the price high, have limited selection

Product:

- What is sold and its **brand name, trademarks, packaging and labelling**
- What need does the service/product fulfill?
 - **Quality**
 - What will the quality of your service/product be?
 - Some people really want quality (Ferrari) vs. others that don't really matter (McD's)
 - **Features**
 - How will your product/service differ from the competition
 - What will you do differently?

Product

- **Design**
 - How is it going to look?
 - Consumers often will purchase because “it looks cool”
- **Packaging** – if your selling a product what image will the packaging communicate?
 - If a service – how will the appearance of your operation communicate an image about your business
- **Range of Products** – what complimentary products may you offer
 - If service: Will you offer other products with your service
 - Example: Nike– Sporting goods, sneakers, trackpants, t-shirts, etc.
 - Example: Think of the range of products that Apple has

Price

- Marketing is responsible for establishing the price of their service/product
- Must consider the costs of all the **inputs** (materials, labour, etc)
- **Mark-up Price** – How much profit do you want to make on every product/customer
- Example: Selling Cupcakes
 - Every cupcake uses \$1 of materials and labour roughly costs \$0.25 to make one muffin
 - You must charge at least \$1.25 to **break-even**

Price

- The price of your product or service tells the customer **a lot** about your product

\$550



\$1550



Price

- Different Pricing Strategies
 - **Competition** – basing your prices on those of the competition
 - **Penetration** – making your price low while new just to get some business
 - **Bundle** – putting the product/service with another item and bundling the prices
 - **Psychological** – making the price say something about the quality of your product

Place

- Simply refers to how & where you are going to sell the product to the consumer – Channels of Distribution
- **Direct Distribution** – selling your product directly to the consumer
 - *Brick & Mortar vs. Virtual Store*
- **Indirect Distribution** – sold through a 3rd party
 - What retailers are the best for reaching your Target Market?
 - Example: Selling protein powder – where do I sell?

Place

- **For a service:** where are you going to locate in order to best reach your target market
- You want to be in an area that
 - your target market frequents
 - Says something about your business
- Notice how car dealerships are always on the outskirts of town or close to a highway?
- Brantford Commons



Promotion

- A successful product or service means nothing unless the benefit of that product/service can be communicated to the Target Market
- There are many ways to get the “word out”
- How many can we think of...

Promotion



Public Relations



Sales



Advertising



Buzz

Send even more
kids to camp!
Text **CAMP** to 45678
to donate \$5

Thanks to donations raised on
Camp Day

more than 17,000 economically
disadvantaged kids from
local communities will go to
one of six THCF Camps across
North America this year.



TIM HORTON
CHILDREN'S
FOUNDATION

Tim Hortons

CAMP DAY

Wednesday June 4 | Mercredi 4 juin

**JOUR DES
CAMPS**



Marketing Mix Activity

- Let's Rank each of the elements of the marketing mix in terms of importance for the following products/services/businesses
- Set Up a blank piece of paper like this:

Business	Product	Price	Place	Promotion

Air Canada



AIR CANADA

The GAP



GAP

Nike



Pepsi



Tim Horton's

