

# Marketing Mix

## RETAIL MARKETING MIX

The Retail Marketing Mix is a marketing term that refers to the variables that a retailer can combine in alternative ways to arrive at a marketing strategy for attracting its consumers. The variables usually include factors such as: merchandise variety and assortment and services offered, pricing, advertising, promotion and layout, store design, store location, and visual merchandising.

It is a specialized form of the Extended Marketing Mix for Retailers. In a typical retail business, the 7th P (Physical Evidence) is a bit redundant, unless services are a main component of the offering (banks, online retail, mail order).

## TYPES OF RETAILERS

Typically retail is a quick-paced, stimulating environment. Obviously, the retail marketing mix is dependent on the type of retailer:

- Department Store: very large stores offering a large variety of categories and has broad assortment at average price. They offer considerable customer service.
- Discount Store: offering a wide array of products and services, but competing mainly on price.
- General Merchandise Store: a hybrid between a department store and discount store.
- Warehouse Store: offering low-cost, typically high-quantity goods piled on pallets or steel shelves.
- Mom-And-Pop Store: family-run, small retail outlet, owned and operated by individuals.
- Specialty Store: focuses on a particular category and provides high level of service.

- Convenience Store: found in residential areas, providing limited merchandise at above average prices with a quick checkout.
- Hypermarket: providing large variety and huge volumes of merchandise at low margins.
- Supermarket: self service store selling mostly food products and limited non-food items.
- Category Specialist: supplying very wide assortment in a single category at low prices.
- E-Tailer: offering products through internet. The merchandise is delivered at the customer's address.
- Mail Order: offering products through a catalogue. The merchandise is delivered at the customer's address.
- Vending Machine

Retail marketing is all about satisfying the customers: What matters is what the customers regard as value and most importantly what they buy. It encompasses a wide range of activities.

### **ELEMENTS OF A RETAIL MARKETING MIX**

A good retail marketing mix must:

- Meet the expectations of target customers
- Its elements (see below) must be consistent with each other to create some form of synergy.
- Be competitive to offerings from competitors.

The following list of typical elements can be used to develop a strong retail marketing mix:

<b>Product (Merchandise)</b>	<b>Price</b>	<b>Place</b>
<ul style="list-style-type: none"> <li>• Product development</li> <li>• Product</li> </ul>	<ul style="list-style-type: none"> <li>• Costs</li> <li>• Profitability</li> <li>• Value for money</li> </ul>	<ul style="list-style-type: none"> <li>• Target market</li> <li>• Channel structure</li> </ul>

<p>management</p> <ul style="list-style-type: none"> <li>• Product features and benefits</li> <li>• Branding</li> <li>• Packaging</li> <li>• After-sales services</li> </ul>	<ul style="list-style-type: none"> <li>• Competitiveness</li> <li>• Incentives</li> <li>• Quality</li> <li>• Status</li> </ul>	<ul style="list-style-type: none"> <li>• Channel management</li> <li>• Retailer image</li> <li>• Retail logistics</li> <li>• Retail distribution</li> </ul>
<p><b>Promotion</b></p> <ul style="list-style-type: none"> <li>• Promotional mixes</li> <li>• Advertising management</li> <li>• Sales promotion</li> <li>• Sales management</li> <li>• Public relations</li> <li>• Direct marketing</li> </ul>	<p><b>People</b></p> <ul style="list-style-type: none"> <li>• Staff capability</li> <li>• Efficiency</li> <li>• Availability</li> <li>• Effectiveness</li> <li>• Customer-staff interaction</li> <li>• Internal marketing</li> </ul>	<p><b>Process</b></p> <ul style="list-style-type: none"> <li>• Order processing</li> <li>• Database management</li> <li>• Service delivery</li> <li>• Queuing system</li> <li>• Standardization</li> </ul>
<p><b>Physical Evidence</b></p> <ul style="list-style-type: none"> <li>• Shops layout, reception, checkout</li> <li>• Shopping mall</li> <li>• Customer-staff interaction</li> <li>• Atmosphere</li> <li>• Customer testimonials</li> <li>• Cash receipt</li> </ul>		

<ul style="list-style-type: none"> <li>• After sales service</li> </ul>		
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## DEFINITION TRADE MARKETING MIX

At the end of the Supply Chain, it is normally the End Consumer who is ultimately buying the products (or services). This is why manufacturers of products and services spend a lot of time, effort and money to influence the consumer to choose their product or service via various consumer Marketing Methods and Approaches, including the Marketing Mix.

However, observe that consumers are normally NOT buying the products or services directly from these manufacturers, but via or from wholesalers, distributors and retailers. So besides communicating (advertising) towards the consumer directly, manufacturers must also ensure that any intermediates (wholesalers, distributors and retailers) are positioning and promoting their products and services favorably. Both absolutely and compared to their competitors.

This way of marketing is called **Trade Marketing**. Using trade marketing, manufacturers aim to achieve a favorable Competitive Position at wholesalers, distributors and retailers.

The **Trade Marketing Mix** are those elements of the Marketing Mix that relate to increasing the demand at wholesaler, distributor and retailer level rather than at the end-user level.

Typical examples of such elements are: Trade Advertising (for example a Pepsi-Cola advertisement placed in some trade magazine, in order to promote Pepsi to retail managers), trade incentive programs, personal selling, wholesale pricing, payment options, return services, special display allowances, promotional support and Merchandising (product promotion that is carried out in the point of purchase).