



# The tactical marketing mix

The tactical marketing mix is a term used to describe the combination of marketing tactics you can use to develop your marketing strategies.

For the purpose of this fact sheet, the marketing mix is described in terms of the five Ps:

- product
- price
- promotion
- place (distribution)
- people.

The five Ps reflect the needs and desires of consumers in your target market, and you choose the marketing mix that fulfils those needs.

To achieve your marketing objectives you can alter your marketing mix by varying the proportions of each of the five Ps contained in it. For example, you may decide to increase the focus on *promotion* while taking the focus away from *price*. Or you may want to advertise both the benefits of your *product* and the *place* where it's sold. Whatever mix you decide to use, it's important to get the balance right.

Let's look at the five Ps in detail below.

## Product

To your client, your product is all of the features, advantages and benefits that they can enjoy from buying your goods or services. It might also include characteristics such as:

- client service
- the quality of the product
- the packaging of the product or service
- the production method and materials used
- the range of products your business offers.

## Price

Price relates to the pricing strategy for your products or services. Pricing should take into consideration how much the market is prepared to pay (market demand pricing) and mark-ups that are needed to cater for overheads, other costs and profit margins. The provision of credit to clients, the range of credit cards accepted, volume discounting and incentives for early payment are other things to consider in your pricing strategy.

## Promotion

Promotion refers to the promotional activities you use to make your clients aware of your goods or services.

These can include:

- the type of **advertising** you use, e.g. newspapers, radio, television, magazines, outdoor signage and websites
- the type of **personal selling** your salespeople offer. Effective personal selling requires the use of good interpersonal and communication skills, excellent product and service knowledge and the ability to sell the benefits of the goods or services to the prospective client
- the type of **publicity** you create by sending media releases to print and broadcasting media, giving interviews to the media and from favourable word of mouth. From these activities, information reaches your target clients through articles that are published in newspapers, magazines and television shows at no charge
- your **sales promotions**, which are short-term, non-routine incentives that a business offers to encourage purchase of products or services which include coupons, competitions and contests
- the type of **direct marketing you use**, e.g. sending letters, emails, pamphlets and brochures to individual target clients. Often followed by personal selling or telemarketing, direct marketing activities normally use a client database to identify and contact target clients and to record details about interactions with these clients.

Promoting your business through direct marketing may have implications under the *Privacy Act 1998 (Cwlth)*. Please contact your legal adviser for more information.

### **Place**

Place refers to where a product or service is made, sold or distributed, e.g. manufacturer, wholesaler, retailer. It's how the product gets to the client.

### **People**

People include you, your sales force, shop assistants, staff, and all those who work in and for your business. These are the people who deal with your clients on a one-to-one, day-to-day basis.

### **The right combination**

For maximum marketing effectiveness, it is important to offer your products and services with the right combination and balance of the five Ps. Getting the combination right will take research, a little experimentation and constant reviewing. Once you get it right, you can best satisfy your clients' needs, increase sales, improve your results and increase your ability to reach multiple consumers within your target market.