

TOPIC E: BASIC MARKETING

Price	Decisions have to be made as to pricing strategy. The pricing strategy combines factors such as how competitor's products are priced and the prestige the company wants its product to have. The automobile industry is a good example. If your product is a car, do you want to price it low and compete with numerous products where price is a major factor in the decision to purchase? Or, do you want to price it high where you compete with "top-of-the-line" vehicles and the decision to purchase is more about the product itself and the product's prestige?
Product	Product refers to the full offering, not just the item purchased. For example, at a Wholesale Club the product may be a computer, while at a Computer Store, the product is the computer plus the support. Products have to be well-defined so an appropriate pricing strategy can be set.
Promotion	This includes all avenues that inform consumers about the product and/or services offered by a company. Obvious avenues include TV, radio, newspaper, and magazine advertisements. However, promotion also extends to web sites, brochures, public relations getting the product/service in the media for free, salespeople, in-store displays, coupon books, product discounts, word-of-mouth, and more.
Distribution	These are all avenues where the product or service can be purchased. This includes retail and wholesale (where retailers get their product). In addition to retail stores, web sites and mail order, there are some other less obvious distribution channels. These include wholesaling (as previously mentioned, wholesalers are a distribution point for retailers and often keep the products in warehouses) and private label branding (i.e. you manufacture a VCR under your own company's name but also manufacture one with a slightly different look for a retail store to place their own name on and sell as their own brand).