

Marketing Mix – IGCSE / O-Level Business Studies Notes

The marketing mix refers to the combination of factors that a business controls in order to satisfy customer needs and achieve its marketing objectives. It is commonly known as the “4Ps”: Product, Price, Place, and Promotion. Businesses adjust these elements to attract customers, compete effectively, and increase sales in the market.

1. Product

A product is a good or service offered to customers to satisfy their needs or wants. Businesses must ensure that the product has the right quality, design, features, and branding to appeal to the target market.

Examples:

- A smartphone company may include a better camera and longer battery life to attract customers.
- A bakery may introduce new flavours of cakes to increase customer interest.

Important Product Decisions:

- Quality and design
- Branding and packaging
- Product range and product life cycle

2. Price

Price is the amount of money customers must pay to purchase a product. The price must be set carefully because it affects demand, profitability, and the business’s competitive position.

Common Pricing Methods:

- Cost-plus pricing – adding a markup to the cost of production.
- Competitive pricing – setting a price similar to competitors.
- Penetration pricing – setting a low price initially to attract customers.

Example:

A new café may introduce coffee at a lower price than nearby cafés to encourage customers to try their products.

3. Place

Place refers to how the product is distributed and made available to customers. Businesses must ensure the product is accessible at the right place and at the right time.

Distribution Channels:

- Direct selling – selling directly from the producer to the consumer.
- Retailers – shops or supermarkets selling products to customers.
- Online platforms – websites or mobile applications.

Example:

A clothing brand may sell its products in shopping malls as well as through its online store to reach more customers.

4. Promotion

Promotion involves communication with customers to inform them about a product and persuade them to buy it.

Types of Promotion:

- Advertising – television, social media, newspapers.
- Sales promotion – discounts, coupons, special offers.
- Personal selling – direct interaction between sales staff and customers.
- Public relations – activities that build a positive image for the business.

Example:

A mobile phone company may advertise a new model on social media and offer a limited-time discount to increase sales.

Exam Style Questions (IGCSE)

Question 1 (Common Exam Question)

Explain two elements of the marketing mix a business should consider when launching a new product. (4 marks)

Suggested Answer:

1. **Product:** The business must ensure that the product has features, quality, and design that meet customer needs. For example, a laptop manufacturer may include a faster processor and longer battery life to attract students.

2. **Promotion:** The business should advertise and promote the product to inform customers about its benefits. For example, the company may use social media advertising to reach a large audience quickly.

Question 2 (Repeated Style Question)

Explain why pricing is an important decision in the marketing mix. (4 marks)

Suggested Answer:

Price affects customer demand and the profitability of the business. If the price is too high, customers may choose a competitor's product. If the price is too low, the business may not cover its costs. Therefore, businesses must carefully set prices based on costs, competition, and customer expectations.

References

The following educational resources were consulted while preparing these notes:

- Cambridge IGCSE Business Studies Coursebook
- Cambridge IGCSE & O Level Business Studies Revision Guide
- General marketing concepts from standard business studies textbooks and educational materials.

These notes were prepared and simplified for educational purposes to support student learning.