

Subject Content	What students need to learn?
2.2.5 Using the marketing mix to make business decisions	How each element of the marketing mix can influence other elements Using the marketing mix to build competitive advantage How an integrated marketing mix can influence competitive advantage

How each Element of the Marketing Mix can Influence other Elements

The key to the marketing mix is that it should all fit together in a way that works for the target market. E.g. all aspects must be improving the brand image and ensuring the customer is getting the right message.

How The Marketing Mix Informs Business Decisions

A successful business understands its customers and therefore knows what products or services they want and how best to communicate with them. Using all 4 Ps can help the business understand its demand and how predict trends of demand for the future, this can help the business make decisions on expansion especially after a successful launch phase.

Other ways the marketing mix can inform a business decision:

- Having a firm understanding on how price changes will affect demand
- Understanding how strong a brand image which can inform decisions about marketing new products
- Understanding how customers receive their products and using this to focus marketing on distribution channels that are most successful.



How The Marketing Mix can be used to Implement Business Decisions

Once a decision has been made, it is time to put it into practice. That's where decisions on the marketing mix come into play.

What is needed is a 3 step process:

1. Identify the decision objectives
2. Agree how the 4Ps are to be used to achieve those objectives. Often this will require more money; in other words, the business may have to provide a bigger budget for marketing.
3. Carry out the plan; in other words, make the required changes to the product, price promotion and place.

Once the plan is in action, well-run companies analyse their sales figures to check whether it is working well and then adjust accordingly.

Drawing the Right Conclusions

Good business decisions can take several years to show their merits. That is fine as long as the business has long term objectives. But whether the decision making is long term or short term, it is only likely to come good if the business truly understands its customers. That is where the marketing mix comes in—especially market research and the marketing mix.

Key Term	Definition
Budget	A ceiling on the amount of money that can be spent; a marketing budget of £1 million means the marketing manager can spend up to that figure, but no more
'Inform' Decisions	Evidence that can be used to make a better decision; a company can gain a better understanding of its customers through the 4Ps, which helps in decision making.