

RETAIL MARKETING MIX

Abstract

Retail Marketing Mix is a concept entailing the modalities business entities that engage with final consumers are able to increase the demands for their offerings.

It stems from the 4P's (product, price, place and promotion) of marketing that have been traditionally adopted to the new 6 P's, that have included personnel and presentation in the mix.

With changing consumer needs, tastes and preferences, it is no longer enough just having the product stock, with a good price, at a convenient location and good signboards! There is need to build relationships and add appealing displays that invite consumers!

For instance, you will notice that banks and insurance companies hire beautiful young ladies as receptionists and put up posters with happy faces to appeal to any walk-in potential customers.

We will attempt to delve deeper into how a good marketing mix strategy can grow a retail business and build a loyal clientele.

What Is Retail Marketing?

Retail Marketing is what retailers do to get their offerings to their customers. Retail marketing encompasses all of the ways a consumer business attracts customers and generates sales of its goods and services. Retail marketing strategies touch virtually everything in a company's operations, including signage, store layout, sales and promotions, pricing strategies, advertising, checkout processes, and customer service. The aim of any retail business is to attract new customers regularly while retaining the existing ones.

A retail marketing mix is more or less related to the traditional marketing mix, also known as the "4 Ps" of marketing. These include product, pricing, place, and promotion. The retail marketing mix adds two more "Ps" to the mix: people and presentation. These elements represent the value of sales associates and other staff in retail settings, as well as the importance of aesthetics and design in retail locations to draw visual persuasions.

What's the Most Important Thing about Retail Marketing?

Central to any retail business success is competitive advantage. The focus is to be always ahead of the rest. To be more appealing than the closest competitor and to be attractive to the new consumers.

The right marketing mix is a must-have differentiator in the highly competitive retail industry. Rich retail data on customer demographics provides significant opportunities to test and optimize all aspects of the "6 Ps." These strategies include enhanced in-store marketing and merchandising, unification of online and offline data, effective pricing strategies, improved conversion rates, and better overall shopping experiences. All types of retailers, from small "mom-and-pop" businesses to national big-box merchants, can capitalize on retail data to optimize their retail marketing mix.

An entity must learn shopping patterns and tastes of the consumers by storing, analysing and drawing insights from their retail data.

6 P's of Retail Marketing

What are the 6Ps of Retail Marketing?

1. Product and Services
2. Pricing Strategies
3. Place
4. Promotion
5. People
6. Presentation

For any business, whether a global enterprise or small company, a comprehensive plan that outlines every possible avenue to attract customers' attention is vital. The building blocks of

an effective marketing strategy include the 6 P's of marketing: **product, price, place, promotion, people, and presentation**. An appropriate balance of focus is needed based on the entity's strengths, weaknesses, available opportunities and potential threats.

The effective integration of the 6 P's of marketing can serve as the foundation for an effective growth strategy. The 6 P's enable businesses to achieve the following:

- Create a desirable product or service that offers value. This can be from a new product or improvement on the existing product to add the missing value
- Sell the product or service at a price that is attractive to customers. Competitive pricing is ensuring that the client can match value with the price. Not overpricing and not underpricing is important.
- Determine the best place to sell the product or service. Location is key. You cannot locate a Pork business in a place inhabited by Muslims.
- Optimize the success of attention-grabbing promotions. Businesses play with colours and lighting in order to draw attention.
- Identify the right people to improve marketing success. Depending on the offering, right personnel is important. Most customers buy because of the seller. Regular training on attitude, etiquette and appropriate communication skills is necessary.
- Attract customers by creating a visually appealing presentation. Eye-catching content creates lasting memories in the minds of the audience.

What Are the 6 P's of Marketing, and How Can They Benefit Sales?

This is an improvement on the traditional marketing mix that only focused on 4 areas of concentration in marketing.

The traditional 4 P's of marketing — product, price, place, and promotion — have their origins as far back as the 1950s. The 4 P's gained increasing popularity and adoption after Harvard University advertising professor Neil Borden wrote about the framework's benefits for successful product marketing in his 1964 article "The Concept of the Marketing Mix."

The 4 P's of marketing have proven to be time-tested principles still relevant in the marketing mix and used by leading global companies and small businesses alike. Today, they remain a critical component of a successful marketing strategy. However, digitization has transformed the traditional marketing mix to include two additional P's: people and presentation.

What are the 6 P's of marketing and how does each help sales?

- **Product:** The product is what is being sold. Fulfilling a market opportunity with a timely product that meets customers' needs will help boost sales.
- **Price:** The price is the cost the customer pays to acquire the An effective pricing strategy ensures that customers are willing to buy the product, generating sales for the company.

- **Place:** The place is where customers can buy the product. Whether a brick-and-mortar store, website, or app, proper placement of products creates sales opportunities.
- **Promotion:** The promotion includes all the tactics used to communicate a product's value. The goal of promotion is to attract a customer's attention and foster interest in learning more about — and eventually buying — the product.
- **People:** The people are the individuals involved in the marketing process on both sides of an exchange. Employees such as salespeople and customer service representatives influence how customers view a business or product, and customers provide feedback to improve the product. This interaction between internal and external people helps determine success.
- **Presentation:** The presentation is how the product appears in the market. Customers' opinions of how a product is presented (for example, through packaging and messaging) can impact their buying decisions.

According to The Houston Chronicle and The Balance Small Business, each "P" helps answer key marketing strategy questions. 1. Product/Service: What is the business offering? 2. Price: How much are customers willing to pay? 3. Place: Where will the offering be available? 4. Promotion: What will get buyers' attention? 5. People: Who will buy it? Who will sell it? 6. Presentation: How does the customer see the offering?

1. Products and Services

Goods and or services serve as the foundation of many businesses. Those that don't offer products often provide services. Sometimes, businesses offer both products and services, such as a car dealership that sells vehicles and provides maintenance services.

Before creating a product or service, a business should conduct research to determine its customers' needs. A key component of its research includes determining marketplace opportunities. This may involve competitor analysis, investigating what other businesses in the field already offer, and identifying new products or services that can attract customers.

Asking questions can help businesses develop effective products and services. Here are six examples:

- **What are the marketplace's biggest needs or pain points?** Products already on the market may fall short of meeting customers' urgent needs, which are often called pain points. While developing a product or service, a company should ensure that it meets these needs.
- **What kind of offering can address customers' needs?** Sometimes a business identifies a customer need that no product or service attempts to fill, offering the opportunity to develop an innovative solution.
- **Which products or services are already in the market?** Breaking ground in a saturated market can be difficult. After assessing existing offerings, businesses can develop a unique product.

- **Which companies have the most market share?** Entering a market dominated by one or two companies can be intimidating. However, identifying which companies have the most market share can determine the types of products customers are buying. This data can help a business trying to make inroads into a market to decide what product to make.
- **Will the market need this offering over the long term?** Is the product a consumable that needs to be regularly replaced, with built-in repeat business? If the product is a one-time purchase or has a long lifecycle, what additional services or accessories can ensure continued customer engagement?
- **How big is the market potential for the offering?** Some products and services can find success in serving pain points for niche audiences, while others have a broader reach. Companies may be able to establish a network of trusted customers and then scale up distribution to a larger client base.

Once the product or service is created, businesses should ask questions to determine its market readiness. Is it ready to be released? Do customers know the product's purpose? Are customers ready and able to buy this product?

As part of a product launch plan, businesses incorporate an education strategy to inform customers of a product or service's purpose. A key step is to develop effective descriptions that explain how a product or service brings value. Salespeople, employees or partners responsible for generating sales must also understand the value of the company's offerings. Therefore, product launch plans must include education strategies for them as well.

What does an effective product or service description entail?

Consider these elements of successful descriptions:

- **Attributes:** Tells customers what the product or service is and does, and highlights specific attributes
- **Uniqueness:** Differentiates the product or service from competitors' offerings
- **Benefits:** Explains to customers what they will gain from the product or service, which may not always be evident at first glance

Teneric and The Balance Small Business suggest asking these six questions to develop a powerful product or service: What are customers' biggest needs or pain points? What kind of offering can address customers' needs? Which products or services are already on the market? Which companies have the most market share? Will the market need this offering over the long term? How big is the market potential for the offering?

2. Price Strategies in Marketing

Pricing makes a big difference in the success or failure of a product. Businesses must find the sweet spot between making a sufficient profit for themselves while providing financial value to customers. The most effective pricing strategies in marketing depend on several factors:

- **Cost and margin:** Businesses need to ensure their profit margin — the percentage of profit made for every dollar spent — is high enough to recoup costs and generate a profit.
- **Competitor pricing:** Markets determine the best price for a product. If a product is priced too high relative to the value it delivers, customers won't buy it. Research competing products to determine a price that's attractive and competitive.
- **Customer behavior:** Consumer-based pricing means setting prices according to the consumers perceived value of the product and can include different prices for different customers. This is a flexible pricing model.

7 Pricing Strategies to Grow Sales

Your pricing strategy must drive buyers to your product or service. These seven pricing strategies can maximize sales opportunities:

- **Bundle pricing:** This strategy involves combining several products and services, typically priced differently, into one package and charging a price that is lower than the total of the prices of the individual pieces.
- **Captive pricing:** This involves a core product that requires accessory products to deliver optimal value. Businesses use this strategy to generate brand loyalty and create additional sales opportunities.
- **Competitive pricing:** Businesses research the prices of their closest competitors and set the price of their product to match or beat the competitor's price.
- **Economy pricing:** Businesses price their products and services low, which means small per-item margins, but large sales volume to remain profitable.
- **Penetration pricing:** Businesses use artificially low prices to entice customers away from competitors and gain market share.
- **Price skimming:** This short-term strategy involves setting high initial prices and then lowering them gradually over time, including offering discounts.
- **Psychological pricing:** The aim of psychological pricing is to use customers' emotional responses to encourage sales. This strategy may include "buy one, get one" offers and reducing whole-dollar prices by a penny or two.

3. Place in Marketing

Where a product is sold affects business success. Place refers to the site where a customer can buy a product. Consumer products such as sneakers and electronics have traditionally been sold in retail stores. Today, many retailers have gone digital. They place their products on their websites or offer them through e-commerce sites such as Amazon or Etsy. Customers' purchases are then delivered directly to their homes.

Social media has also provided forums for marketing and selling virtually. Facebook, Instagram, WhatsApp, X, Tiktok, e.t.c have enabled online marketing and selling.

Products should be strategically placed where customers can easily view, access, and purchase them. In physical stores, this may involve strategic product displays and merchandising. Placement in marketing also refers to product placement in large retailer displays, such as in Walmart or Target, and in television shows and commercials.

In digital stores, the user interface and search function of a site play an important role in whether a customer can find a product or not. Beyond a business's own site, search engine optimization (SEO) plays a key role in where a product appears in the results of a search on a search engine such as Google. SEO uses keywords to attempt to strategically place products at the top of the results, where customers are more likely to find them.

Social media marketing provide a platform for retailers to display their offerings online, provide delivery means and provide electronic payment means to their customers. There are also options of creating customer groups that ensure loyalty and customer recommendations to their connections.

4. Promotion in Marketing

Communicating a product or service's benefits is an essential strategy for gaining marketplace attention and convincing customers to buy. One key step in promotion in marketing is to determine your target audience. After identifying an offering's potential audience, businesses can tailor their messages to convert prospective customers into buyers, resulting in sales growth.

Traditional promotions include a vast arsenal of tactics — from flyers and magazine advertising to partnerships with other companies and public relations. Today, traditional promotions support digital promotion, which has become the primary vehicle for promotion in marketing.

Traditional and digital promotions can work together to maximize a marketing campaign's success. Below are a mix of traditional and digital marketing strategies that can help businesses reach customers and generate sales:

- **Email marketing:** Email marketing allows businesses to reach a wide audience at a relatively low cost. It provides a direct channel of communication with potential customers, allowing for personalized and targeted messaging. By sending relevant and engaging content to subscribers, businesses can nurture leads and strengthen their relationship with customers.

Here are some key benefits of email marketing:

1. **Cost-effective:** Compared to other marketing channels, email marketing is highly cost-effective. There are no printing or postage costs involved, making it a cost-efficient way to reach a large number of people.

2. Personalized messaging: With email marketing, businesses have the ability to segment their email list and tailor messages based on customer preferences, demographics, or behavior. Personalized content helps to establish a deeper connection with the audience and increases the chances of conversion.
3. Increased reach and engagement: Email marketing enables businesses to deliver their message directly to the inbox of their target audience. With a well-crafted subject line and compelling content, businesses can capture the attention of recipients and drive higher open and click-through rates.
4. Automation and scalability: Email marketing platforms provide automation features that allow businesses to set up automated email campaigns based on triggers or specific actions. This saves time and effort, enabling businesses to scale their reach and engagement without significant manual input.
5. Measurable results: Email marketing provides valuable insights into campaign performance through metrics such as open rates, click-through rates, conversion rates, and more. This data allows businesses to measure the success of their campaigns and make data-driven decisions for optimizing future marketing efforts.

To run an effective email marketing campaign, businesses should focus on the following best practices:

1. Building a quality email list: Engage in ethical list-building practices by obtaining explicit permission from individuals to send them emails. This helps to ensure a higher quality of leads and avoids potential deliverability issues.
2. Personalization and segmentation: Customize email content based on recipient preferences and behavior. Segmenting your email list allows you to send targeted messages that are more likely to resonate with the audience.
3. Compelling subject lines: Use engaging subject lines that entice recipients to open your emails. A strong subject line can improve open rates and increase the chances of your message being read.
4. Valuable content: Provide relevant and valuable content to your subscribers. This can include educational resources, exclusive offers or discounts, industry insights, or relevant updates. By delivering value, you can build trust and loyalty with your audience.
5. Call to action (CTA): Include a clear and compelling CTA in your emails that directs recipients to take a specific action, such as making a purchase, signing up for a webinar, or downloading a resource. A well-designed and strategically placed CTA can boost click-through rates and drive conversions.
6. Testing and optimization: Continuously test different elements of your email campaigns, such as subject lines, content, layout, CTAs, and send times. Analyzing the results and optimizing accordingly will help improve the effectiveness of your emails over time.

Email marketing remains a vital tool in digital marketing due to its ability to generate leads, nurture customer relationships, and drive conversions. By implementing effective strategies and best practices, businesses can leverage the power of email to grow their brand and achieve marketing objectives.

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- **Public relations:** The aim of public relations is to spread favorable information about a business and its products to people and organizations who can influence potential customers — for example, newspapers with a large subscription base, or social media influencers with many followers. The goal is to impact public perception, garner attention, and generate interest.
- **Advertising:** This traditional promotional tactic involves paying for the opportunity to market a product or service open_in_new to a media outlet's viewership or subscriber base. Today, digital advertising comes in many forms, from interactive videos to in-app sponsorships.
- **Content marketing:** The primary aim of content marketing is to create content of relevance and interest that target audiences share organically, spreading marketing messages without paid advertising. When memes, videos, and social media posts spread virally, they generate interest in a product or business without the costs of traditional advertising.
- **Social media:** Social media has become an integral part of our lives, allowing us to connect with others, consume and share information, and express ourselves. These platforms provide a range of features that enable users to create, publish, and interact with content.

Facebook, with billions of active users, offers a versatile platform for sharing various forms of content, such as texts, photos, and videos. It also allows users to join groups, create events, and connect with friends and family.

Instagram, known for its visually oriented nature, focuses on sharing photos and videos. It has become a hub for influencers, artists, and businesses to showcase their products and creativity.

Twitter enables users to share short messages, known as tweets, with their followers. It is popular for its real-time updates, news sharing, and engagement through retweets and replies.

YouTube, a video-sharing platform, allows users to upload, watch, and interact with videos. It is a significant platform for entertainment, education, and content creation.

Social media marketing leverages these platforms and their widespread user base to promote products, services, or brands. Influencers, individuals with large and engaged followings, play a crucial role in this strategy. By collaborating with influencers, businesses can tap into their influence and credibility, reaching a wider audience and generating brand awareness.

Overall, social media has revolutionized the way we communicate, consume information, and engage with content. It has transformed the landscape of marketing, allowing businesses to connect with their target audience in more personalized and interactive ways.

- **Contests:** Contests such as sweepstakes and giveaways capture leads, who provide their information for a chance at a prize. Although a longstanding traditional promotional method, contests have also become popular in digital marketing.

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- **Customer referral incentive programs:** This strategy relies on the power of word-of-mouth marketing, offering discounts or promotions to existing customers who recommend a product to their colleagues, friends, or family members. Referrals can be effective, as prospects are often more likely to consider buying a product if someone they trust recommends it.
- **Point-of-sale (POS) promotions:** Traditionally, point-of-sale displays are placed near checkout counters to draw customers' attention to products they did not enter the store to buy. This strategy is highly effective for seasonal or holiday-time sales. Digital customers can also receive point-of-sale promotions in their digital checkout carts.
- **Customer appreciation events:** This tactic gives businesses an opportunity to show that they appreciate their customers by offering them gifts, incentives, or special deals. The primary aim is to strengthen customer loyalty.
- **Surveys:** Surveys allow businesses to capture the opinions of their customers and improve their products and services to meet their needs.

What promotion in marketing strategies can help businesses succeed? The following resources provide strategies and tips:

- Houston Chronicle, "Top Ten Promotional Strategies"[open_in_new](#): Various traditional promotion in marketing strategies
- Evinex, "Promotion Strategy: How to Promote Your Business [2021]"[open_in_new](#): Ways to improve your marketing plan, from strategy fundamentals to marketing metrics

5. People in Marketing

The fifth P in the marketing mix is people. Businesses regularly deal with people outside their organization such as customers and partners. Individuals working in marketing are focused on attracting external audiences to generate revenues for their company.

A company's internal people – production workers, managers, customer service representatives, salespeople, and support staff – are vital to the success of the marketing mix. These individuals set the tone for a company culture that either attracts or repels business. First impressions about a business count, and everyone involved in a product or service, from customer-facing employees to those working in production, distribution, and delivery, have both a direct and indirect impact on sales and customer satisfaction.

People strategies involve recruiting and hiring individuals who can contribute to a business's success. To find the right candidates, businesses use marketing strategies – selling the company itself – to attract top talent. Hiring effective staff can optimize the impact of marketing strategy and activities, and bolster a business's reputation.

In the context of marketing, considering the people aspect requires businesses to:

1. **Identify the Target Market:** It is crucial to clearly define the specific group of people that the business aims to serve or attract as customers. This includes understanding their demographics, psychographics, and other relevant characteristics.

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2. Customer Segmentation: Dividing the target market into different segments based on various factors allows businesses to tailor their marketing efforts to specific groups. This helps in delivering more personalized and relevant messaging to different segments of people.
3. Customer Relationship Management (CRM): Maintaining strong relationships with customers is vital for businesses. Understanding customer needs, addressing concerns, and providing excellent customer service are all part of effective customer relationship management.
4. Employee Engagement: Engaged employees who understand and align with the organization's marketing goals can contribute significantly to the success of marketing efforts. Businesses need to ensure that their employees have the necessary training, knowledge, and motivation to interact with customers effectively.
5. Branding and Image: Building a positive brand image helps businesses attract and retain customers. By creating a brand that resonates with the targeted people, businesses can cultivate loyalty and advocacy, leading to repeat sales and referrals.
6. Customer Experience: Ensuring a positive customer experience is essential for businesses to build long-term relationships. Understanding customer preferences, addressing their pain points, and delivering a seamless experience across touchpoints can contribute to customer satisfaction and loyalty.

In summary, the "people" element in the 6 P's of marketing emphasizes understanding, attracting, and satisfying the target audience through effective customer segmentation, relationship management, branding, employee engagement, and customer experience strategies.

6. Presentation

The 6 P's of marketing is a framework used to develop and execute effective marketing strategies. Presentation is one of the key elements of the 6 P's. It refers to the way in which a product or service is visually and physically represented to the target audience.

Even when a product or service is superior to the competition, selling it depends on effective presentation. This sixth P of marketing focuses on the product's appearance and whether it accurately represents the business's image. Designers, creatives, and other professionals involved in presenting products should identify the type of customers the business wants to attract, and tailor a presentation to appeal to that target audience.

A well-executed presentation can significantly impact customer perception, engagement, and purchasing decisions. Here are some factors to consider when focusing on the presentation aspect of marketing:

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1. **Packaging:** The way a product is packaged can influence its appeal and perceived value. Attention should be given to the design, materials, colors, and overall branding to ensure it aligns with the target audience and effectively stands out among competitors.
2. **Visual appeal:** Visual elements such as logos, graphics, images, and typography play a crucial role in attracting attention and conveying the desired brand image. Consistency in visual presentation across different marketing channels helps maintain brand recognition.
3. **Store layout and design:** For businesses with physical locations, the presentation of the store itself can greatly impact customer experiences. Consider factors such as store layout, product placement, signage, lighting, and ambiance to create a welcoming and appealing environment.
4. **Website and online presence:** In the digital age, a website serves as the face of a business. An aesthetically pleasing and user-friendly website design can enhance the presentation of products or services and improve the online shopping experience.
5. **Marketing collateral:** Brochures, catalogs, business cards, and other print materials should be well-designed and visually appealing, reflecting the brand's image and effectively communicating key messages.
6. **Sales and customer service personnel:** The presentation skills and professionalism of employees who interact with customers are crucial in shaping the overall brand experience. Proper training should be provided to ensure they effectively represent the brand and deliver outstanding customer service.

By focusing on the presentation aspect of marketing, businesses can create a positive perception of their products or services, increase brand awareness, and attract and retain customers.

Tailoring the 6 P's in Marketing Strategy for Your Business

Tailoring the 6 P's in marketing strategy for your business can help you create a unique and effective marketing plan that aligns with your specific goals and target audience. The 6 P's are product, price, place, promotion, people, and process. Here's how you can tailor each element to fit your business:

1. **Product:** Focus on understanding your target market and their wants, needs, and preferences. Tailor your product or service offerings to meet those demands. Conduct market research to identify gaps in the market and design your product accordingly.
2. **Price:** Tailor your pricing strategy based on factors such as market demand, competition, and perceived value. Consider whether you want to position your product as a premium offering or a budget-friendly option. Determine the pricing structure that aligns with your target market's purchasing power.
3. **Place:** Determine the distribution channels that best reach your target audience. Tailor your distribution strategy to ensure your product is available in the right locations at the right time.

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Consider whether you want to sell through physical stores, online platforms, or a combination of both.

4. Promotion: Develop a promotional plan tailored to your target market's preferences and behaviors. Utilize marketing channels that resonate with your audience, such as social media, content marketing, advertising, or influencer partnerships. Craft your messaging and creative assets to appeal to your specific target audience.

5. People: Focus on understanding your customers and tailoring your marketing efforts to their needs and preferences. Consider incorporating personalization and customization into your marketing communications to create a more personalized experience. Invest in customer service training to ensure your employees are well-equipped to deliver exceptional service.

6. Process: Streamline your marketing processes to ensure efficiency and effectiveness. Tailor your marketing campaigns based on feedback and data analysis. Continuously monitor and adapt your strategies to align with changing market dynamics and consumer behavior.

Remember, the key to successfully tailoring the 6 P's in marketing strategy for your business is to put yourself in your target market's shoes and personalize your approach to meet their needs. Regularly review and fine-tune your marketing efforts to ensure they remain relevant and impactful.

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