



SUAN SUNANDHA  
RAJABHAT UNIVERSITY

# Marketing Mix and Consumer Behavior

KARDPAKORN NINAROON



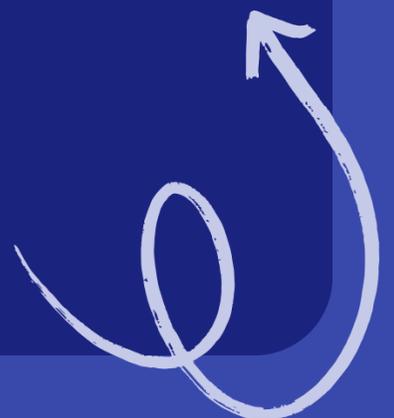
# Evolution of Marketing Concepts

## Traditional Concept

Focuses primarily on the producer (4Ps):  
What to produce? At what price? Where  
to sell? How to advertise? Aiming for  
increased sales and production  
efficiency

## Modern Concept

Focuses significantly on responding to  
customer needs (Customer-Centric) by  
shifting from products to solutions and  
creating value for consumers



# Definitions of Marketing Mix

**Boone and Kurtz (2005)** stated that the marketing mix is a combination of four strategic elements—product, price, distribution, and promotion—that are appropriate for the specific needs and preferences of a target market

**Perreault and McCarthy (2005)** Perreault and McCarthy (2005) stated that the marketing mix consists of factors that a business can control and uses to create satisfaction for the target group

**Belch and Belch (2007)** defined the marketing mix as the controllable elements of a marketing program, which consist of product, price, promotion, and distribution

**McDaniel, Lamb, and Hair (2008)** expressed the view that the marketing mix is a strategy resulting from a blend of product, distribution, promotion, and price, designed to produce mutually satisfying exchanges with a target market

# Definitions of Marketing Mix

It is a combination of four strategies that a business can 'control' to create satisfaction for the target group, consisting of:

- Product: Something that satisfies needs
- Price: The value exchanged
- Place: Channels for accessing products
- Promotion: Communication for stimulation



# Importance of the Marketing Mix

## Satisfaction

It is a primary tool for responding to customer needs from the outside in

## Environmental Adaptation

Continuous development in accordance with changing technology, economy, and consumer behavior

## Competitive Potential

Demonstrates how well a business can win hearts and build loyalty compared to its competitors



# Product Decisions

It is the heart of marketing, where businesses must understand why consumers purchase, try products, and make repeat purchases. Product decisions consist of:

- Product Differentiation
- Product Mix
- New Product Development (NPD)
- Branding
- Packaging
- Labeling



# Product differentiation)

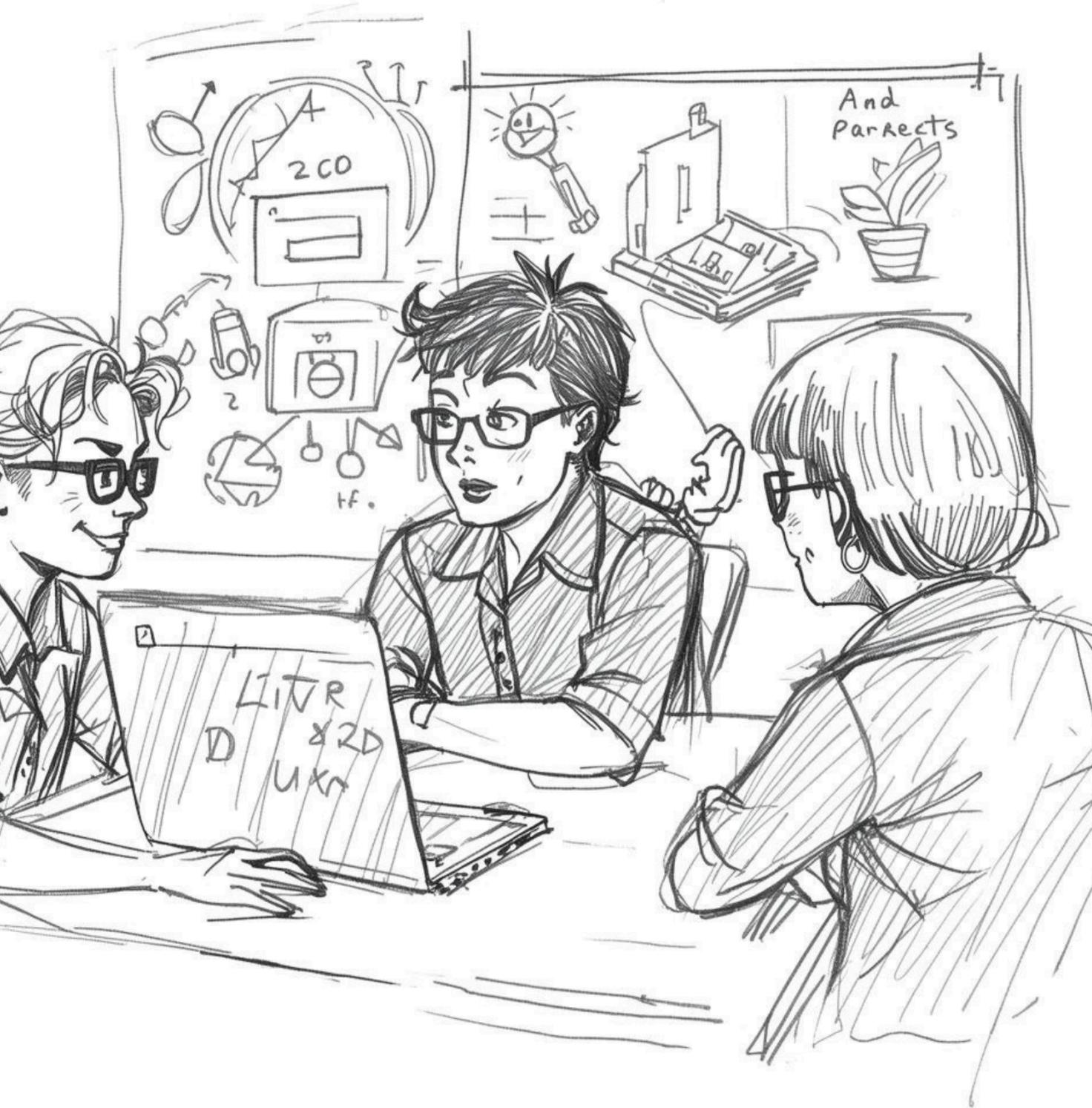
Differentiation is the key to a successful marketing strategy. It must be a distinction that consumers desire and that sets the product apart from competitors. Businesses can differentiate their products in 5 ways

- Attribute: Physical characteristics that are clearly visible, such as a spacious cabin
- Feature: Attractive and unique characteristics, such as an energy-saving mode
- Benefit: Categorized into core benefits, expected benefits, and augmented benefits
- Service: Free installation, warranty, and home delivery
- Identity: Brand, logo, and atmosphere

# Product Mix

It is a group of product lines and product items consisting of four main dimensions: width, length, depth, and consistency. These dimensions allow businesses to manage their product offerings and respond to market needs effectively

Dimensions	Description	Example
<b>Width</b>	The total number of product lines	Appliances, Mobile Phones, Computers
<b>Length</b>	The total number of items across all lines	All models and types of products combined
<b>Depth</b>	The number of variants (sizes, colors, or styles) for each item	1-door vs. 2-door fridges, or various BTU ratings
<b>Consistency</b>	How closely related the products are in production or distribution	Sold to the same customer groups or through the same channels



# Product development

New Product Development (NPD) is a critical process for improving existing products or creating new ones to enhance value and align with customer needs in today's market

# Brand

Branding is essential for creating a positive image and building trust in the minds of consumers, enabling them to perceive brand value

# Brand Equity

The added value provided to a product or service by its brand name or symbol is derived from consumer perceptions, feelings, experiences, and brand loyalty



# Elements of Brand Equity

## 1. Brand awareness

This is when customers 'recognize and recall the brand name.' It is the first step that leads a brand to be chosen over unfamiliar ones

## 2. Perceived Quality

This is when customers 'feel the product is high-quality and offers good value,' leading to confidence and a willingness to pay a premium price over competitors

## 3. Brand Loyalty

This is when customers love and make repeat purchases without switching to other brands. It helps reduce marketing costs and encourages word-of-mouth

## 4. Brand Associations

This is when customers have a clear image of the brand, such as associating it with innovation. It helps create a positive attitude that drives the desire for ownership

# Packaging

Activities involving the design and production of the container for a product, which can serve as a communication tool with consumers. Packaging consists of design and packaging strategies as follows:



# Packaging Design

Must be consistent with the product, target audience, transportation, and cost, utilizing technology to maintain product quality until it reaches the consumer

2 Main Design Elements:

- **Structure**

Defining the shape, size, volume, and materials (plastic, metal, natural materials), with an emphasis on ease of handling

- **Graphic**

The use of images, colors, and typography to create a unique identity, a positive image, and ensure consumer recognition

# Packaging Design

## Essential Components

1. Brand: The brand name or symbol that is legally registered as a trademark
2. Illustration: Visuals that convey the brand's origin or story to capture consumer interest
3. Information:
  - Attributes / Ingredients
  - Directions for Use / Storage / Cautions
  - Manufacturer Information and Dates
4. Quality Certification Marks: Symbols that build trust and provide a competitive advantage (e.g., TIS, ISO, Halal, HACCP)
5. Barcode: A code used to identify country of origin, company information, and product pricing

# Packaging Strategy

Packaging is a marketing tool that creates added value for the product. It can influence purchasing decisions. Therefore, manufacturers should use packaging strategies that align with consumer behavior as follows:

- Single-unit or Single-serve packaging
- Vacuum packaging
- Eco-friendly or Sustainable packaging
- Lightweight and user-friendly packaging
- Retail-ready packaging (RRP)
- Multi-functional packaging
- Elderly-friendly packaging (or Inclusive design)
- E-commerce-ready packaging



# Label

A tool that provides product details, communicates marketing messages to attract buyers, and educates consumers

## Types of Product Labels

General Information Label: Product name, manufactured date (MFD), and expiration date (EXP)

Nutrition Facts Label: Provides nutrient information for health-conscious consumers

Eco-Label (Green Label): Certification for environmental friendliness

Other Labels: Irradiated Food Label

Allergen Label

Country of Origin Label (COOL)



# Pricing Decisions

Pricing decisions are a crucial factor influencing consumer behavior. They must take into account both internal and external factors to create maximum customer satisfaction.

They consist of:

- Factors Affecting Pricing
- Price Adjustment Strategies



# Factors Influencing Pricing

- **Internal Factors**

Controllable factors that a business can manage. If these factors are kept within scope, they will not excessively impact pricing

- **External Factors**

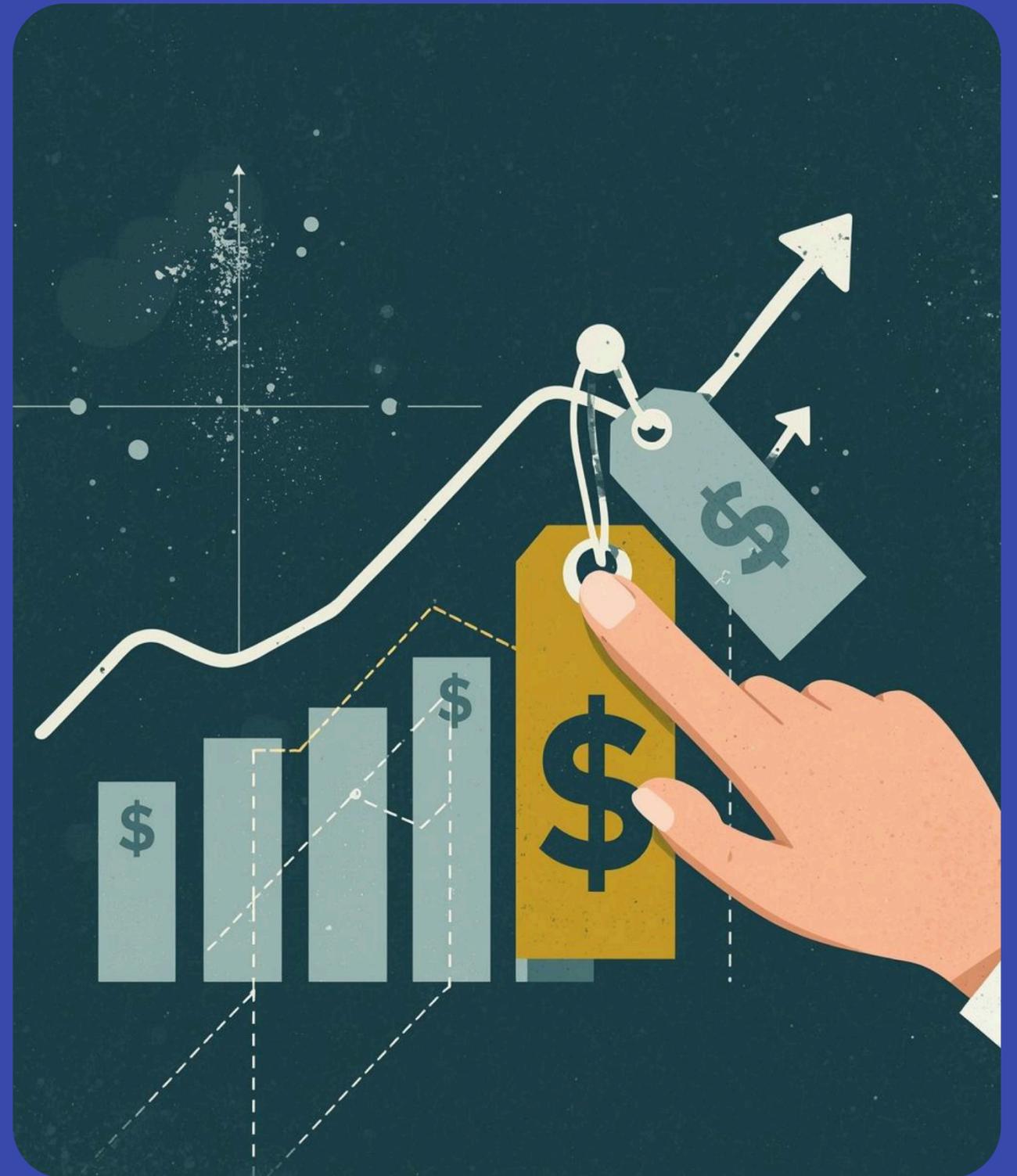
Uncontrollable factors for the business. If these factors change, price adjustments will naturally follow



# Price Adjustment Strategies

Price adjustment is a key strategy for attracting customers, as a specific price level can only be maintained for a certain period. Price adjustment strategies to meet consumer needs consist of:

- **Promotional Pricing**
- **Segmented Pricing**
- **Service Pricing**



# Promotional Pricing

This involves setting product prices lower than the list price to accelerate consumer purchasing decisions. Promotional pricing formats are as follows:

## 1. Loss-Leader Pricing

- Reducing the price of certain items below cost or to an exceptionally low level
- Purpose: To attract customers into the store so they will purchase other non-discounted items as well
- Caution: It may damage the brand image in the eyes of manufacturers or suppliers

## 2. Special Event Pricing

- Organizing discount activities during key periods such as New Year, Chinese New Year, or the Back-to-School season
- May be used in conjunction with other activities, such as reaching a minimum purchase amount to win special discounts

# Promotional Pricing

## 3. Cash-Rebates

- Refunding a portion of the price to customers after the purchase (often using a system where coupons or receipts are sent back to the company)
- **Advantages:** Helps clear inventory without having to reduce the shelf price, thereby maintaining the original price point

## 4. Financial Incentives

- **Low-Interest Financing:** Used for high-ticket items (houses, cars) to make the purchasing decision easier for customers
- **Longer-Payment Terms:** Extending the installment period to reduce monthly payments, helping customers feel a sense of financial relief

# Promotional Pricing

## 5. Warranties & Service Contracts

- Offering free warranties or maintenance check-up services
- Concept: "It is a form of 'reducing hidden costs' for customers instead of directly discounting the product price"

## 6. Psychological Discounting

- Setting an artificially high original price and then offering a 'heavy discount' to make customers feel they are getting a great deal
- **Caution:** In some countries, this is considered illegal if the original price is found to be deceptive or misleading

# Segmented Pricing

Setting different prices for the same product, where the difference is not based on marginal costs but rather on demand, purchase volume, and environmental factors. The formats of segmented pricing are as follows:

## 1. Customer-segment

- Charging different prices for the same product or service based on the type of customer
- **Example:** Entrance fees for attractions (students or seniors pay less than the general public, or dual pricing for locals vs. foreigners)

## 2. Product-form

- Setting different prices based on different versions or models of the product
- **Example:** iPad Wi-Fi model versus the Cellular model

# Segmented Pricing

## 3. Image Pricing

- Products with similar quality or from the same factory, but sold under different brands
- Brands with a stronger reputation and superior image can command a higher price

## 4. Channel Pricing

- Prices vary depending on the point of sale
- **Example:** Drinking water sold in a convenience store vs. a fine-dining restaurant vs. an airport

## 5. Location Pricing

- Charging different prices based on the advantage of the location, even if the service cost remains the same
- **Example:** Concert seating charts (front zones are more expensive than rear zones) or airline seating

## 6. Time Pricing

- Adjusting prices according to fluctuating demand at different times
- **Example:** Hotel room rates (weekends vs. weekdays) or telephone charges (daytime vs. nighttime)

# Service Pricing

Service pricing strategies focus on reducing non-monetary costs (such as time, waiting, and risk), particularly time-saving benefits to enhance customer satisfaction. This enables businesses to set prices higher than competitors. Furthermore, strategies like segmented pricing, image pricing, or time pricing can be applied to services just as they are with tangible products.

# Place / Distribution Decisions

The process of moving products from the point of production to the final consumer. It consists of:

- Marketing Channel Decisions
- Future Trends in Distribution



# Marketing Channel Decisions

Product distribution to consumers is primarily divided into 2 formats

## 1. Store-based Marketing Channels

- **Modern Trade** Such as department stores and convenience stores, where attractive product displays are used to stimulate impulse buying. This also includes building brand loyalty through membership systems
- **Traditional Trade** Such as grocery stores (mom-and-pop shops) or wet markets that emphasize community proximity but must adapt to stay competitive

# Marketing Channel Decisions

## 2. Non-store Marketing Channels

**Examples** include E-commerce, direct selling, and automated vending machines

These channels are gaining immense popularity in line with modern consumer behavior, which prioritizes convenience, speed, and time-saving. These consumers often conduct their own price comparisons across various platforms and place high importance on a seamless shopping experience—from initial search to product delivery. This helps reduce purchase hesitation amidst the vast array of options available in the online world.

# Future Trends in Distribution

Within the context of a data-driven and volatile market, future distribution is undergoing a major transformation to respond to more complex technologies and shifting consumer behaviors. Key trends to watch include:

## **1. Autonomous AI**

Shifting from mere data collection to becoming a 'human proxy for decision-making.' AI will analyze risks and immediately execute adjustments to transportation plans or inventory levels for maximum precision and agility.

# Future Trends in Distribution

## **2. Unified Commerce**

Seamlessly merging online and physical store channels into a single entity. Utilizing technologies like AR (Augmented Reality) to create immersive shopping experiences that stimulate purchasing decisions from anywhere at any time.

## **3. Direct-to-Consumer: DTC**

Brands reducing the role of intermediaries to reach customers directly. Focusing on collecting and analyzing Big Data to offer Personalization, which fosters stronger brand engagement and relationships.

# Future Trends in Distribution

## 4. Green & ESG

Elevating to eco-friendly logistics with traceability powered by Blockchain technology. This meets the sustainability demands and builds the confidence of modern consumers, aligned with ESG principles.



# Marketing Communication Decisions

The process of sending messages from a business to a target audience to build awareness and a positive image. It focuses on providing information about product benefits to persuade customers to make a purchase or engage in desired behaviors within a short period, utilizing the 8 forms of the Marketing Communication Mix as follows:



# Marketing Communication Mix

## 1. Advertising

A paid form of non-personal communication through mass media to inform, persuade, and remind a broad target audience. Its strengths lie in the ability to repeat messages frequently and utilize artistic techniques to create a distinctive brand image.



# Marketing Communication Mix

## 2. Sales Promotion

Short-term activities used in conjunction with other tools to stimulate and accelerate immediate consumer purchasing decisions. While effective in rapidly increasing sales volume, its limitations include potential long-term damage to brand image and brand loyalty. Furthermore, once the promotion ends, sales often decline as customers have already stockpiled products during the promotional period.



# Marketing Communication Mix

## 3. Public Relations and Publicity

A proactive communication approach that emphasizes credibility and facts more than advertising. It effectively reaches consumers who tend to avoid salespeople by creating compelling stories to influence both internal and external audiences to have a positive attitude toward the brand. It focuses on building and maintaining favorable relationships between the business and all stakeholder groups sustainably.



# Marketing Communication Mix

## 4. Events and Experiences

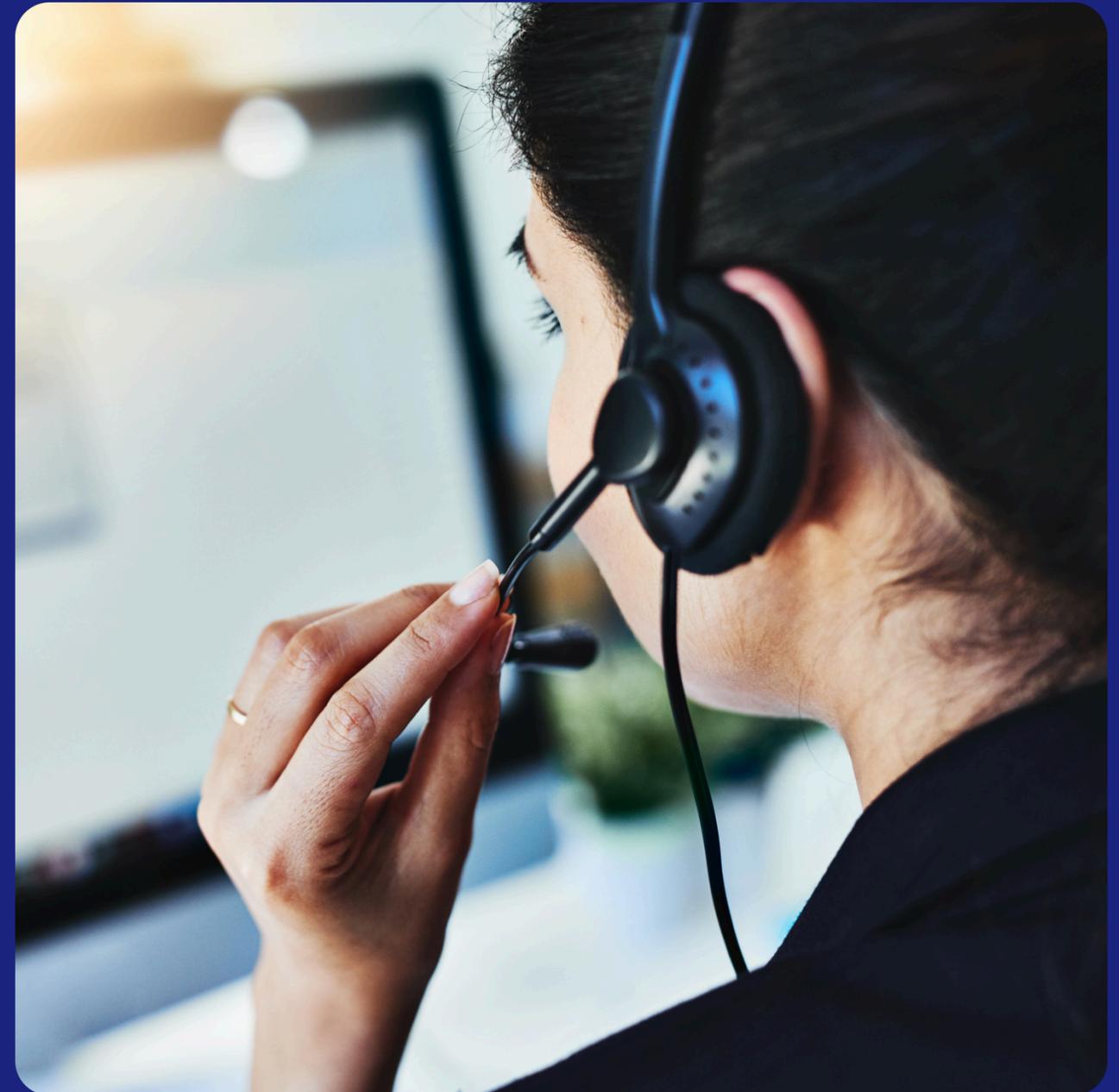
Communication aimed at creating direct experiences that align with the customer's personality and lifestyle, delivering emotional value beyond the functional benefits of the product. Businesses often reach specific target segments by sponsoring various events, such as sports competitions, concerts, or extreme sports. This ensures consumers recognize the brand and logo through an exciting shared atmosphere, fostering a deep emotional bond and a memorable customer experience.



# Marketing Communication Mix

## 5. Direct Marketing

The practice of selling products directly to consumers without intermediaries. Its key strengths include highly personalized messaging, modernity, and two-way interactive communication. Currently, it is popular to use television for product demonstrations combined with special offers to motivate customers to make an immediate purchase via telephone or the internet.



# Marketing Communication Mix

## 6. Personal Selling

A highly effective communication tool for building confidence and stimulating purchasing decisions through direct interaction. Salespeople can observe behaviors, present products, and close the sale immediately.



# Marketing Communication Mix

## 7. Interactive Marketing

Communication through the internet that emphasizes two-way interaction between the business and its customers for transactions and feedback to improve products. Its key strength is the ability to segment customers and deliver highly specific messages, allowing for a more accurate and precise response to the needs of each customer group.



# Marketing Communication Mix

## 8. Word-of-Mouth: WOM

A strategy focused on creating exceptional customer satisfaction and experiences, leading to impressions that encourage customers to voluntarily share positive stories about products or services with others. This is considered a highly credible communication tool from the audience's perspective.



# Executive Summary: The Marketing Mix and Consumer Behavior

The Marketing Mix is a vital tool for satisfying target customers, consisting of four core elements:

- **Product** Must stand out through unique features, exceptional service, and a credible brand, complemented by attractive and functional packaging.
- **Price** Strategies must be dynamically adjusted to suit different market situations in order to stimulate consumer purchasing decisions.
- **Place** Emphasis must be placed on convenience, covering both store-based and non-store channels, which are increasingly popular among the younger generation.
- **Promotion** Utilizing the 8 key communication tools to build awareness, persuade, and ultimately convert consumer interest into actual purchases.

Q & A

