

Market Mix

Market Mix – The effective combination of Price, Product, Promotion and Place.

Product

It is hard for a new business to get the product right because they have to unlimited amount of money to spend on marketing activities including product development.

Once a product has been tailored to the needs of the consumers Promotion and Price can be decided.

Price

Price – How much a firm will charge for the product being sold or service being provided.

Firms use different pricing strategies to price products, taking into account a number of factors such as market research, number of competitors and state of the economy.

Demand – Willingness and ability to purchase at a given price.

Promotion

Advertising designed to increase product sales.

Firms use different promotional strategies to make their products more widely known to the public we call this the promotion mix.

Place

The means by which the product will be distributed.

<i>Factors</i>	<i>Impacts</i>
<i>Proximity to market</i>	Businesses need customers to visit.
<i>Transport</i>	If a business is new they will have to be easy to access otherwise people will not go there
<i>Labour</i>	The different products need different workers so the business needs to be close to an eligible workforce
<i>Competition</i>	It is good for shops to be near each other because they can steal customers
<i>Costs</i>	Costs of premises Cost of labor
<i>Supplies</i>	If a business has to source materials from a long way away they will waste money on delivery

Cash out – Money that flows out from the business

Cash flow statement –

- A record of all the money flowing in and out of the business
- Shows opening balance at the start of each month and closing balance at the end

Opening balance – Cash available at the start of the month.

Closing Balance – Cash available at the end of the month

Net cash flow – The difference between the total cash in and total cash out.

Solutions to cash flow problems -

- Slow down money flowing out
 - Negotiate credit terms with supplier
 - Cheaper suppliers
- Speed up inflows
 - Get customers to pay quicker
- Increase money flowing in
 - Take out a loan
 - Attract more customers

Recruitment

Human resource management (HRM) involves using workforce of the company in the most productive.

One element of HRM is the identification of employee positions and the process of attracting the right caliber of worker to fill positions (recruitment).

