
APEC: GROWING INDIGENOUS BUSINESSES THROUGH TRADE (PHASE 3) 2024

**5Ps of marketing, and
psychology of marketing**



5Ps of marketing, and psychology of marketing



Marketing involves all activities that a business undertakes to bring attention to their product and reach and influence their customers.

The Marketing Mix or 5 Ps- product, people, price, place, and promotion, is an effective template to help guide your marketing efforts.

1. Product

- This is about ensuring that your product or offering addresses a problem, and you understand how your product stands out from the competition.
- What is your unique value proposition?
- Don't just convey the characteristics of your product (e.g. 2.5 liter engine or low calories): do highlight the benefits (e.g. the thrill of driving or losing weight).
- Consider the design of the product and packaging.
- You may have to adjust your product, depending on the market.

2. People

- Know which customers to target, who best to partner with (e.g. wholesalers versus distributors), and have the right staff.
- To sell or export your product, you must know your target customers well-segment them!
- Segmenting means honing in on a particular group or demographic (e.g. young high-income professionals).
- Research their needs, their taste and buying behaviour, so you know how to reach and influence them.
- Know who might best distribute your product and build your brand.
- You will also need to train your staff, so they conduct themselves appropriately when interacting with customers.

3. Price

- Pricing your product is crucial.
- If you price too high, no one might see the value of your offering.
- If you price too low, you may not be able to recover your costs.
- When choosing a price, you must identify all the cost, determine your objective (such as gain market-share or establish a position), determine what the market would be willing to pay, and consider your competitors.
- There are various strategies that could be applied, including value-based, skimming, dynamic, or penetration pricing.

4. Place

- Consider where you sell (e.g. brick and mortar or on-line store), and where you conduct the rest of your operations or supply chain (e.g. source supplies or warehousing) to ensure these meet the expectations of your customers.
- Whether physically or virtually (through e-commerce), ensure that the look of your shop reflects your brand, it is accessible, provides all the necessary information, that transacting or making payments are easy, and you have a favorable customer returns process.

5. Promotion

- This relates to activities that go into promoting your product or service.
- It includes sales promotion, digital marketing, publicity, international trade fairs, direct marketing, advertising, sponsorship, social media, and Search Engine Optimisation.
- As promotion activities can be expensive, it is important that you do your research on your audience and on the appropriate channel to reach them.
- These days marketing through social media is a must- it extends your reach and can be particularly targeted – but it can be complex.
- Also, remember that your messaging must match your brand.



Understanding psychology for better marketing

Availability heuristics

Psychology context:

- It is a reactive process of evaluating an issue or event, based on related information that a person can immediately recall to mind.

Marketing application:

- Get your message out there, convey them appropriately, frequently, and use the right channels.

Social proof

Psychology context:

- There are a variety of psychology studies that relate to social proofing.
- The Ash study found that even if we know a group position or decision is wrong, we go along with it to be part of the group.
- The Stanley Milgram Experiment showed that people are conditioned to obey authority.

Marketing application:

- Have your message conveyed by an authority.
- Create condition by which your customers feel that they are part of something bigger or belong to a group.

Cognitive dissonance

Psychology context:

- To be prepared to lie or contradict what they believe in, there has to be sufficient incentive.

Marketing application:

- Better known as the 'Foot in the door technique'. Get your customer to do something for you that is relatively small, and later ask them to do something bigger.

Urgency

Psychology context:

- There have been many studies on urgency. People are likely to act when there is a sense of urgency, even if it is artificially created.
- Related to urgency are the issues of scarcity and loss aversion. Scarcity has a range of definitions, but for marketing purposes it is the availability of products.

Marketing application:

- Create a situation where the product is likely to be limited.
- Provide customers the feeling that their decision will not have a downside or risk (e.g. have a favourable returns policy).



Questions

Disclaimer

The information contained in this presentation reflects publicly available information, or information supplied by individuals and organisations in Australia. All due care has been taken to ensure that the training material is free from errors or omission. However, the ECA does not guarantee or warrant the accuracy, reliability, completeness or currency of the information in this presentation, nor its usefulness in achieving any purpose, commercial or otherwise.

Delegates are responsible for assessing the relevance and accuracy of the content of this training material. Delegates who choose to engage directly with a presenter following sessions, are responsible for assessing the suitability of the presenter for the engagement, and for conducting all necessary due diligence. No responsibility whatsoever can be accepted by the presenters, publishers, editor, researchers, or any other person or company involved in the preparation of this presentation for accuracy or usefulness of any information contained herein or as a result of any subsequent engagement between the delegate and any presenter. Any consequential loss or damage suffered as a result of reliance on this information is the sole responsibility of the delegate. No warranty, express or implied, is given and no legal responsibility is assumed by the ECA, its servants or contractors.



Think Global Trade
Think ECA

export.org.au

+61 2 8243 7400 | info@export.org.au