

PLACE

Place management involves the process of procuring the right inputs, converting them efficiently into finished products and dispatching them to the final destinations.

Supply chain decisions:

- Whether or not to sole source
- Where to locate the plant
- Scheduling decisions
- Whether to supply from production or inventory

Supply chain: Tradeoffs

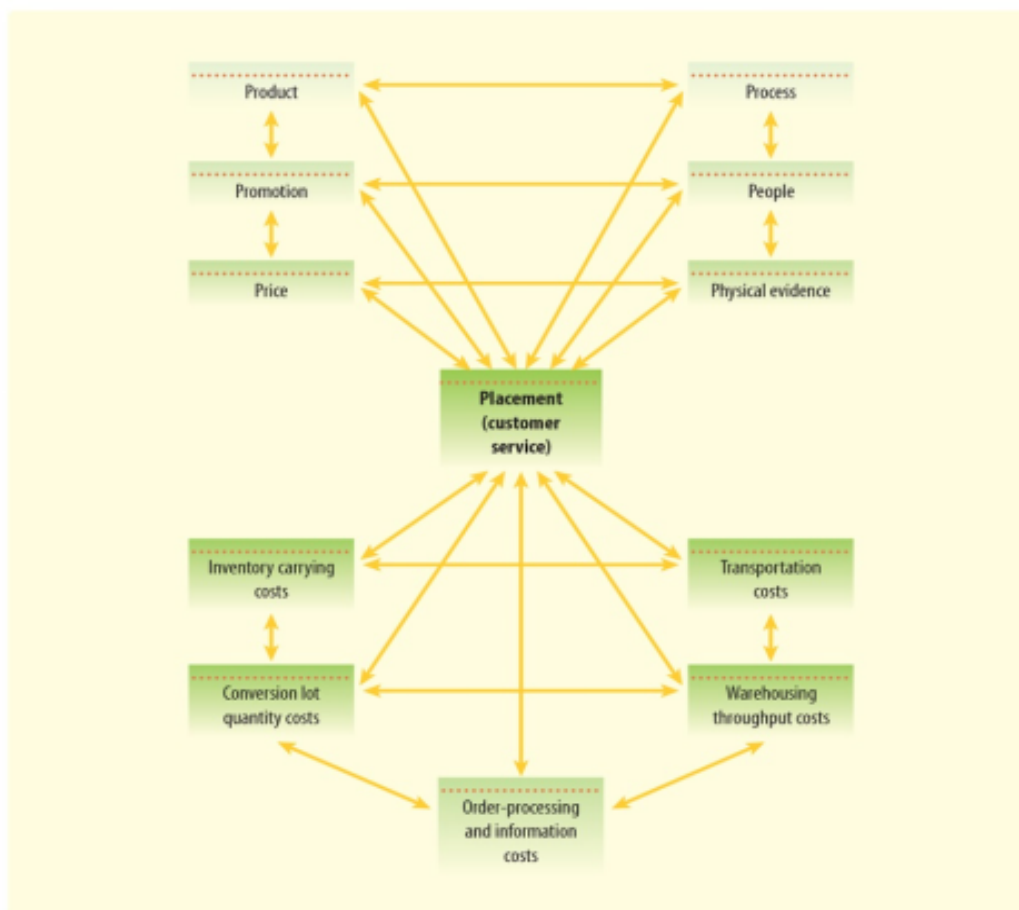
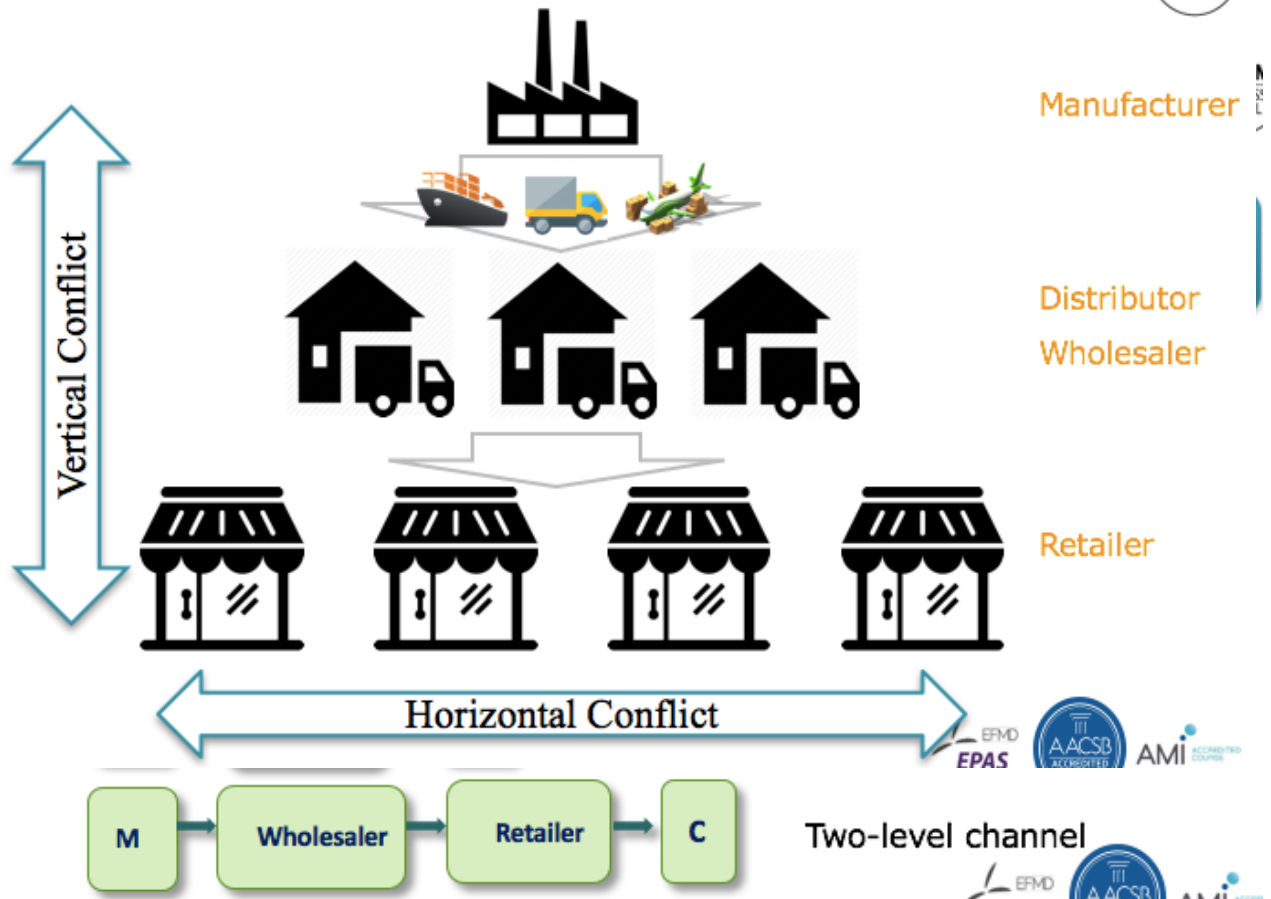


FIGURE 10.4 Supply chain trade-offs and interaction with the extended marketing mix elements in providing customer service

Source: Adapted from DM Lambert, *The Development of Inventory Costing Methodology: A Case Study of Costs Associated with Holding Inventory*, National Council of Physical Distribution Management, 1976, p. 7. Reprinted with permission from the Council of Supply Chain Management Professionals (CSCMP).

Channel behaviour: Channel conflict



PROMOTION

Promotional mix: Integrated marketing communication (IMC)

Main promotion elements:

Advertising

the activity or profession of producing advertisements for commercial products or services.

Advantages	Limitations
<ul style="list-style-type: none"> - Broad geographic reach - Relatively low cost per exposure - Creative & expressive formats - Useful for creating awareness & long-term image - Can trigger quick sales 	<ul style="list-style-type: none"> - Lacks persuasive power - One-way communication - High cost of main advertising media

Personal selling

Personal selling is where businesses use people (the "sales force") to **sell** the product after meeting face-to-face with the customer

Advantages	Limitations
<ul style="list-style-type: none">- Effective for building preference, conviction & action- Interpersonal communication- Retains consumer interest for longer- Cost effective in markets with high ticket items or where there are few buyers	<ul style="list-style-type: none">- Requires long-term management commitment- US & Australian companies spend 3 times as much on personal selling as on advertising

Sales promotion

Sales promotion is the process of persuading a potential customer to buy the product

Advantages	Limitations
<ul style="list-style-type: none">- Varied tool; includes coupons, POS material, premiums and more- Attracts consumer attention & provides incentives to purchase- Invites and rewards quick sales	<ul style="list-style-type: none">- Sales promotions effects are often short-lived- Not as effective as advertising or personal selling

Public relations

the professional maintenance of a favourable public image by a company or other organization or a famous person.

Advantages	Limitations
<ul style="list-style-type: none">- Highly credible- Able to reach many prospects- Can 'dramatise' messages- Is very effective when used with other types of promotion	<ul style="list-style-type: none">- Tends to be under-utilised

Direct and digital marketing

the electronic delivery of relevant communications to specific recipients.

Advantages	Limitations
<ul style="list-style-type: none">- Highly personalised form of communication- Immediate and customised- Interactive- Suited to highly targeted communications and relationship building	<ul style="list-style-type: none">- Audience controls exposure- Security concerns- Spam