

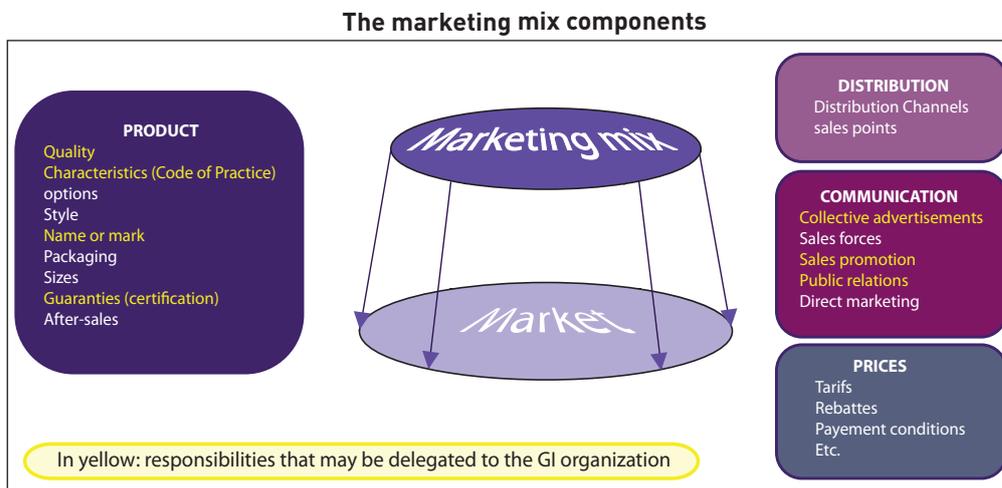
THE MARKETING MIX (operational marketing)

C4.3

Once the strategic marketing plan is defined, the enterprises and the GI organization must make it operational considering the characteristics of the GI product as defined in the Code of Practice. Marketing mix provides with tools to take decision in the implementation of the GI strategy.

Objectives

The marketing mix consists of establishing the means to achieve the operational objectives in each market selected by the GI organization and its members, by combining four operating factors: Product, Price, Place, and Promotion. Operational marketing activities are usually generated by individual actors. Indeed, GI organizations are often more dedicated to the definition of product characteristics and communication. But this is not a rule; the collective organization could also take decisions or give advice on product presentation, price and sale location and also be involved in other marketing aspects of the GI product.



Key concepts

The marketing mix is organized around the «4 Ps» :

Product

In addition to the specific characteristics described in the CoP, other product characteristics are:

- The attributes of the product. The attributes refer to the tangible and intangible characteristics intrinsic to the product (color, flavor, aroma, taste, etc.), or associated with the degree of processing, or presentation (for example coffee can be sold as beans or as powder; ham can be whole or in slices).
- The brands presented on the labels:
 - the collective logo associated with the GI, managed by the GI organization: it allows consumers to identify easily the GI product;
 - a firm brand: It allows consumers to recognize the specific firm producing the GI product. A brand is an important asset to build the reputation and image of the firm.
- Packaging and labelling. Packaging can increase the level of services provided with the product. In particular, it can preserve intrinsic qualities of the product, protect it while in transport, or be used as an appealing “advertisement” for consumers. Labeling provides important information about product characteristics (composition, nutritional facts, description of how to use the product), about specificity related to the GI and in terms of quality and origin. These can all facilitate usage by consumers and increase opportunities to buy and consume the product.

Price

Price is a direct determinant of profits (or losses) in relation to sales. Price also determines, to some degree, the type of customer and competition the organization will attract. An error in pricing the GI product may limit the benefits from GI activities. In order to attract consumers, the best relationship between price and quality level in comparison to other products of the same category should be proposed. Thus, it is important to clearly highlight the specific attributes of the GI product in order to provide a justification for higher consumer prices.

Place

The choice of the place is complex, and concerns the selection of the distribution channel(s), the geographical location to sell the product and through whom the GI product will be sold (for example a wholesaler, a retailer, an exporter, etc.). For the distribution of GI products, three main channels could be considered, depending on GI characteristics and target market desires:

- traditional distribution and local direct selling;
- large-scale distribution;
- innovative distribution (e-commerce, specialized fairs, food markets, buying groups for fair trade products, sales through community supported agriculture ...).

Promotion

Promotion is an important aspect of the marketing mix. It is crucial to keep in constant communication with both current and potential consumers and provide information about the specific quality and characteristics of the GI product in order to increase consumer willingness to purchase and pay. The following questions must be answered: Who communicates? To which public is the communication addressed? What to communicate? And how?



Process

It is necessary first to define the objectives and coherent activities of the marketing mix according to the « 4 Ps ». Once defined, responsibilities and necessary means for the implementation of each action must be defined. In the marketing mix, the members of the GI organization must define what is the responsibility of the GI organization and what should be left to each firm.



Summary

The marketing mix makes operational the marketing of GI products. Certain characteristics of the GI product are defined in the Code of Practice, whilst other are part of the marketing mix.

It is often beneficial to delegate to the common GI organization a large part of the communication (promotion). Indeed, the more the resources are collective, the more impact can be expected of the communication on the collective reputation of the GI. It is to be noted that in some countries public institutions may contribute financially to the communication on the GI products (see chapter 6.2).