



## THE TIMES 100

### BUSINESS CASE STUDIES

#### Marketing mix – National Trust

The National Trust is a registered charity that looks after special places. It has over 4 million members and every year welcomes around 19 million visitors to its properties and special places, which are open to everyone. As a not-for-profit organisation managed by a small Board of Trustees, it is completely independent of government. Its funding is generated entirely from membership fees, donations, legacies and revenue raised from its commercial activities such as its National Trust shops and catering business.

The marketing mix (the four Ps) is a means of assessing how an organisation can balance the four key elements of Product, Price, Place and Promotion in order to meet customers' needs and achieve its sales objectives. Even with the best product in the world, if a business promotes it to the wrong audience, overprices it or distributes it in a way that is inconvenient for consumers, then the business will not generate sales. For the National Trust, the relationship between product, price, place and promotion is highly integrated:

- The Trust's '**product**' is a mix of the tangible, such as events or craft goods in shops, and the intangible – the experience people enjoy from National Trust places. Visitors and customers can choose to add value to their membership over the year through a wide range of other activities. This might include, for example, the opportunity to have a camping or cottage holiday on Trust land or learn new skills with Trust experts – anything from bird-watching to archaeological digs.
- As a non-profit making organisation, the **price** of National Trust membership fees, entrance to sites and sales through its shops and website need essentially to cover costs rather than make profit. As the National Trust has to maintain its special places for ever, it incurs significant costs of repair or upkeep. Membership and visitor fees cover only a third of the Trust's costs. Its fundraising and commercial activities are vital to fill the gap. Keeping membership numbers high is therefore essential. Lower than expected income could result in the Trust not being able to fulfil its mission. Membership fees need to remain competitive to demonstrate good value for money in order to attract visitors and keep members. The National Trust therefore has to budget carefully to ensure that expected income from predicted memberships will cover its costs.
- '**Place**' reflects the means for distributing a product or the channels through which it reaches customers. For the National Trust, like many other organisations and businesses, this is increasingly through the internet. For example, Trust memberships can be bought online or at visitor locations for individuals or to be given as gifts for others. The National Trust website also has an online shop from which anyone can buy gifts as wide-ranging as farm produce, cards and craft items or even 'virtual' gifts such as helping to restore a painting or save a squirrel.
- **Promotion** covers all the tools and techniques by which an organisation markets its products and services. For example, this might include traditional methods such as advertising in papers, as well as the use of social media (like Facebook and Twitter), websites and online networks.

## Questions

1. What are the four Ps?

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2. Describe the product that National Trust offers.

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3. Explain why The National Trust only needs to cover costs rather than make a profit.

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4. Evaluate whether Product is the most important element of the marketing mix for the National Trust.

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## Task

Draw up the basic marketing mix for two organisations. One should be a profit making business and the other a not-for-profit organisation. Now make a comparison between the two. Where are the similarities and where are the differences?

## What have you learned?

Word jumbles – jumble up some terms relating to the marketing mix and swap with a partner. Can you work out what the terms are?