

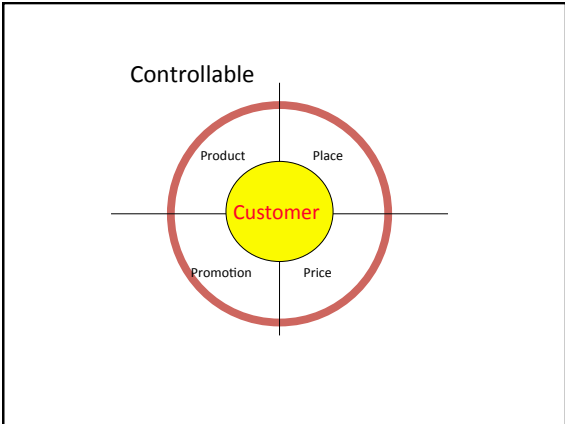
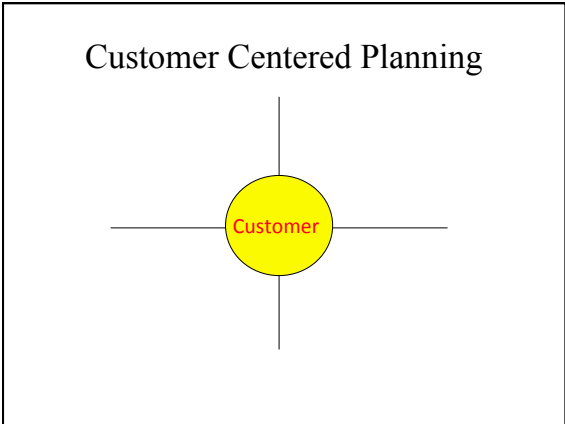
## 4 P's and Small 'm' Marketing

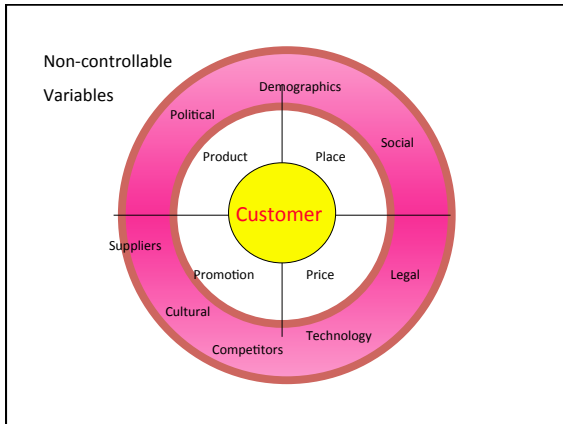
Ted Mitchell

- ### Big and Small 'm' Marketing
- Big M marketing is Strategic Marketing
    - Focus on Market Creation, goals and long term profits, organizational and competitive philosophy
    - SBU/Portfolio management, large scale allocation of resources
  - Small m marketing is Marketing Management
    - Focus on operational and short range objectives and tactics,
    - Segmentation, Targeting, Positioning
    - Managing the 4 Ps of Marketing to a targeted segment
    - Marketing Metrics for Management

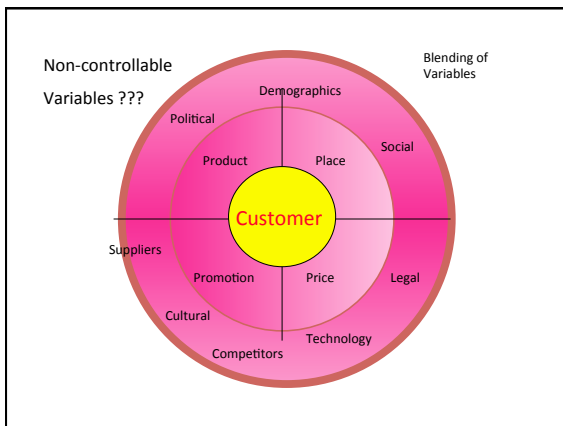
- ### 4 P STRATEGY INCLUDES CHOICES ABOUT
- TARGET MARKET and Positioning
  - PRODUCT and Services
  - PLACE and Supply Chain
  - PROMOTION and Relationship Building
  - PRICE and Revenue management
  - GOALS
  - OBJECTIVES and Metrics
  - CONTROL and Feedback

- ### Four P's of Marketing Management
- The Marketing Mix is
    - **Price** and Payment System
    - **Product**, Services and Solutions Delivered
    - **Promotion**, Communication and Relationship Management (include packaging, branding, sales force management)
    - **Place** of Distribution, Logistics and Supply Chain Management





- ### UNCONTROLLABLE
- CONSUMER VALUES & TASTES
  - DEMOGRAPHICS
  - CULTURE AND SOCIAL INFLUENCES
  - COMPETITION
  - CHANNEL RELATIONSHIPS
  - INFLATION
  - UNEMPLOYMENT
  - GNP GROWTH
  - VALUE OF DOLLAR
  - PATENTS
  - RAW MATERIAL SHORTAGES



### SUGGESTIONS FOR THE FIFTH P

- ### Not Included in the Mix
- Profit
  - Power
  - Politics
  - Policies
  - Production
  - Publics
  - Patents

- ### THE CHOICE OF TARGET MARKET IMPLIES
- MEASURED DEMAND OF ALTERNATIVE SEGMENTS
    - SEGMENTED THE MASS MARKET
    - DID MARKET RESEARCH
      - STUDIED BUYER BEHAVIOR
        - » ADOPTED A CUSTOMER ORIENTATION

### PRODUCT

- NEW PRODUCT DEVELOPMENT
- PRODUCT LIFE CYCLE STRATEGIES
- PRODUCT LINE MANAGEMENT
- BRAND MANAGEMENT
- COST OF PRODUCTS
- FEATURES & QUALITY
- WARRANTY
- INSTALLATION
- SERVICE ....

### PLACE

- CHANNEL DESIGN
- VMS MANAGEMENT
- LOGISTICS Supply Chain Management
- RETAILING
- COST OF DISTRIBUTION
- MARKET EXPOSURE
- PUSH OR PULL

### PROMOTION

- AUDIENCE RESPONSE BEHAVIOR
- SALESFORCE MANAGEMENT
- ADVERTISING MANAGEMENT
- PUBLIC RELATIONS
- PROMOTIONS & SPECIALS
- TARGET AUDIENCE
- OBJECTIVES
- COST OF ADVERTISING

### PRICE

- DEMAND BASED
- COST BASED
- COMPETITIVE BASED
- OBJECTIVES
- POLICY ON LEVEL, FLEXIBILITY
- DISCOUNTS & ALLOWANCES
- LIFE CYCLE CHANGES

### Alternative Business GOALS

- PROFIT
- GROWTH
- DIVERSIFICATION
- LEADERSHIP

### Goals Have Two Aspects

- 1 A Goal is a statement that tells us how to evaluate alternative strategies
- 2 We can choose which goals we wish to pursue. That is to say, a goal is also an element of choice.

## Objectives

An objective is a statement that operationalizes your goals.

Objectives Tells Us What To Measure

Objectives Tells Us How Much Is To be Expected

## OBJECTIVES

- IF THE GOAL IS PROFIT THEN OBJECTIVES MIGHT BE
  - 15% RETURN ON INVESTMENT
  - 20% RETURN ON SALES
  - \$3.00 EARNINGS PER SHARE
  - 32% MARKET SHARE
- Different Ways to measure Profit
- Different Amounts of Profit To Be Expected

## CONTROL

- EVALUATE PROGRESS
  - are we achieving our objectives
- FEED BACK SYSTEM
  - are the objectives and goals still appropriate

## • IF A MARKETING STRATEGY INCLUDES CHOICES ABOUT

- TARGET MARKET
- PRODUCT
- PROMOTION
- PRICE
- GOALS
- OBJECTIVES
- CONTROL

THEN HOW MANY STRATEGIES ARE THERE?

## CONSIDER TWO CHOICES UNDER EACH COMPONENT



- TARGET MARKET
  - OLD VERSUS NEW
- PRODUCT
  - HIGH VERSUS LOW QUALITY
- PROMOTION
  - MASS ADV. VERSUS DIRECT MAIL
- PRICE
  - HIGH VERSUS LOW PRICE
- GOALS
  - PROFIT VERSUS GROWTH
- OBJECTIVES
  - ROI VERSUS SALES
- CONTROL
  - CENTRALIZED VERSUS LOCAL

$$2 \times 2 \times 2 \times 2 \times 2 \times 2 \times 2 \times 2 = 256$$



PEOPLE HAVE TO SIMPLIFY THE DESCRIPTION OF STRATEGIES!!

### How to explain what you're doing

- To your customers
- To your banker
- To your employees
- To your family
- To your competitors
- To your suppliers
- To your channel members
- To your government

### Generic 4 P strategies

- Every day low prices
- Easy to Buy, Easy Credit
- Easy to Find, Convenient
- High quality, High value
- Biggest selection
- Have it your way, mix and match
- Fast delivery
- Quality guaranteed
- Satisfaction guaranteed

- What is **Big M** and **small m** Marketing?
- What are the 4 P's of Marketing?
- What types of choices are in a marketing mix strategy?
- Why are profit and politics not elements of the marketing mix?