

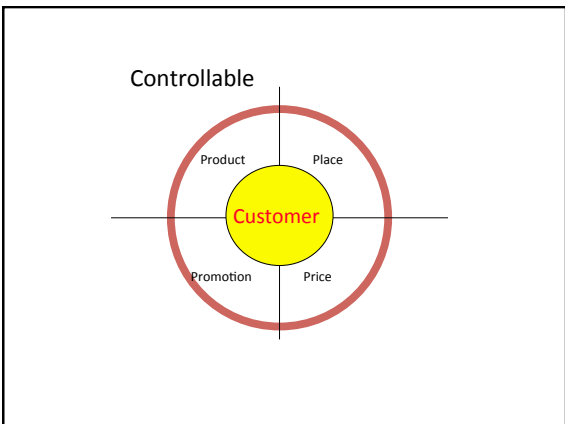
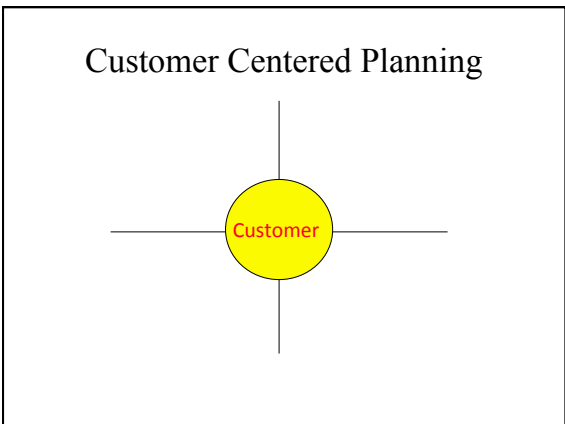
4 P's and Small 'm' Marketing

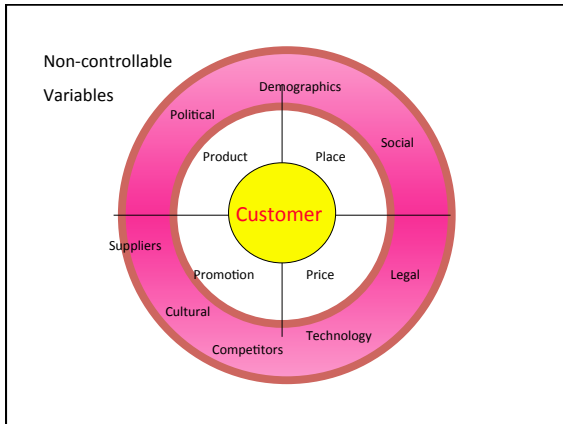
Ted Mitchell

- ### 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

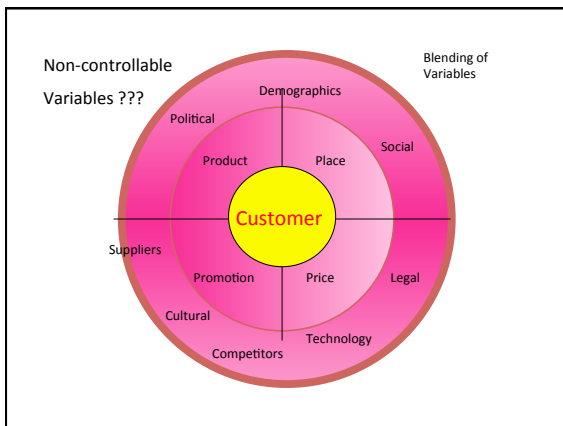
- ### 4 P STRATEGY INCLUDES CHOICES ABOUT
- TARGET MARKET and Positioning
 - PRODUCT and Services
 - PLACE and Supply Chain
 - PROMOTION and Relationship Building
 - PRICE and Revenue management
 - GOALS
 - OBJECTIVES and Metrics
 - CONTROL and Feedback

- ### 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?