

The 4 P's of Marketing Management in Biz-Cafe

Ted Mitchell

Shifting the Game's perspective

- The game is designed to be played as an
- Entrepreneurial exercise
- With some exposure to
- Key accounting issues
- Key HR issues
- Key Operations/Planning issues
- Key Marketing Issues

When the Game is

- Played as a **Marketing Management Game**
- The focus is on decisions that impact marketing performance
- Drop issues or reframe them as marketing problems
- Dealing with HR (slack employee work habits, training for morale, number of managers for spans of control, employee turn-over)
- Dealing with Operation's management (forecasting and ordering coffee usage, managing inventory of cups, insurance)
- Dealing Accounting management (standard costing, accrual vs cash reporting, depreciation rates, net return on sales, net return on equity)

Rewrite the Game from

- The perspective of a marketing manager
- Focus on decisions that can defined as the **4P's** of marketing management

The 4 P's of Marketing Management

- **Have an Immediate and Direct Impact on the Quantity Sold within the Decision Period**
- **The Product Quality and Service Mix**
- **The Price and Payment Process**
- **The Promotion and Communication Mix**
- **The Time and Place of Exchange**
- **NOT Power, Politics, Packaging,**
- **NOT Profit**
- **NOT Market Research nor Product Development**

The Push and Pull Version

- The 4 P's Might be Reorganized and be Presented as a
- **Product and Service Mix**
- **Price and Payment Mix**
- **Pull**
All communication, promotion, and place activities designed to get the customer to **pull** the product off the shelves
- **Push**
All communication, promotion, and place activities designed to **push** the product through the channels of distribution and onto the Retailer's Shelves

If a Weekly Decision has **NO** Impact

- On the Week's Sales Volume or Customer Demand
- Then it is **NOT** part of the Manager's Marketing Mix
- A Change in Product Design, Distribution, Packing, A New VP of Marketing, A new Research or PR Department may be very important Marketing Decisions but they are strategic in nature and will have no impact in the short term
- Differences Between Marketing Management and Marketing Strategy are in the types of things included in the Marketing Mix

Which Decisions Have a Direct Impact on the Customer Demand for that particular week?

Biz-Café Decisions		Marketing Mix Decisions and inputs for machine
Managers Weekly Salary	\$610	
Number of Servers to Hire/Fire	20 servers	
Server Hourly Wage	\$9.00	
Price Tag for a Medium Cup	\$3.50	
Type of Newspaper Ad	General Awareness, \$200 per day	
Number of Daily Radio Spots	\$40 per spot	
Hours of Operation	8 am-10 pm, 70 hrs per week	
Quality of Coffee	Best, \$6 per pound	
Pounds of Coffee	40 pounds	
Number of Cups	20,000 medium cups with Logo	

The **4P's** Have a **Direct Impact** on the Amount Customers Demand for that particular week?

		Marketing Mix Decisions and inputs
Managers Weekly Salary	\$610	Not significant
Number of Servers to Hire/Fire	20 servers	Service and P roduct Quality
Server Hourly Wage	\$9.00	Not Significant
Price Tag for a Medium Cup	\$3.50	P rice
Type of Newspaper Ad	General Awareness, \$200 per day	P romotion Mix
Number of Daily Radio Spots	\$40 per spot	P romotion Mix
Hours of Operation	8 am-10 pm, 70 hrs	P lace and Time Mix
Quality of Coffee	Best, \$6 per pound	P roduct Mix
Pounds of Coffee	40 pounds	No Role
Number of Cups	20,000 medium cups with Logo	logo? Not significant

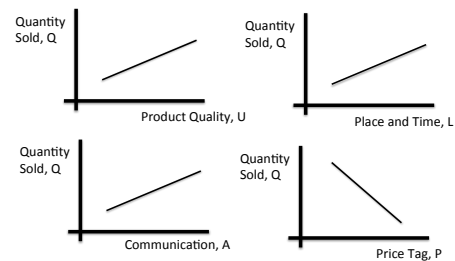
The **4P's** Which Have a **Direct Impact** on the Amount Customers Demand for that particular week?

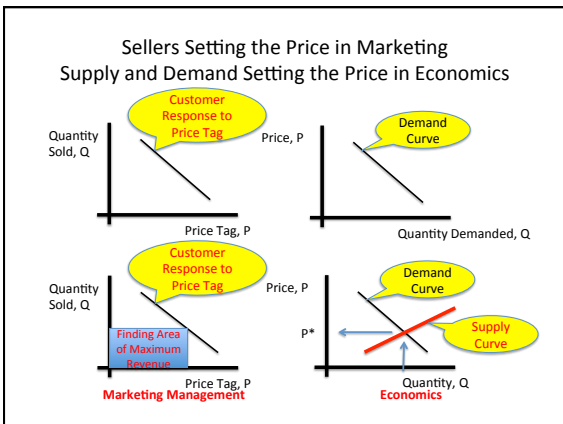
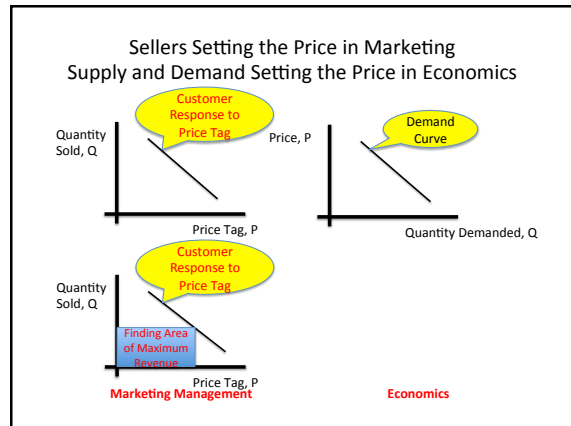
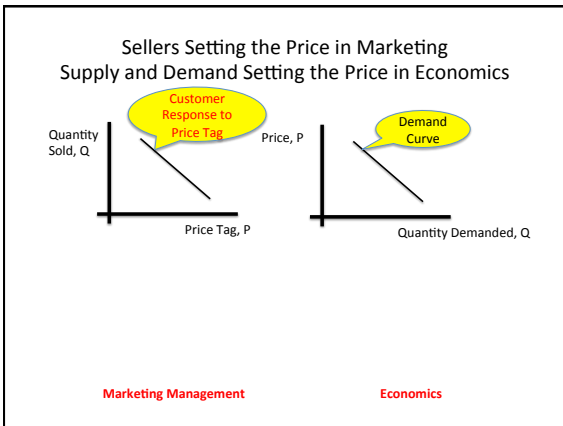
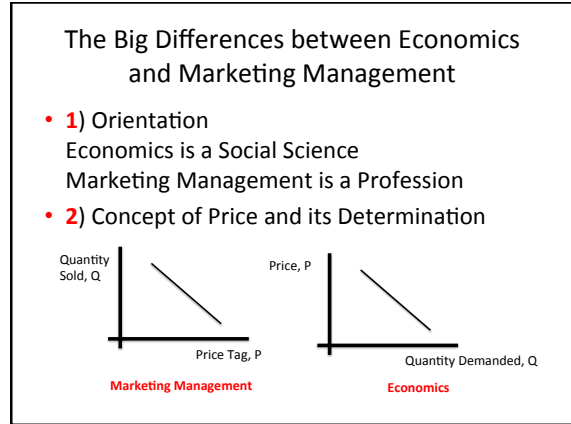
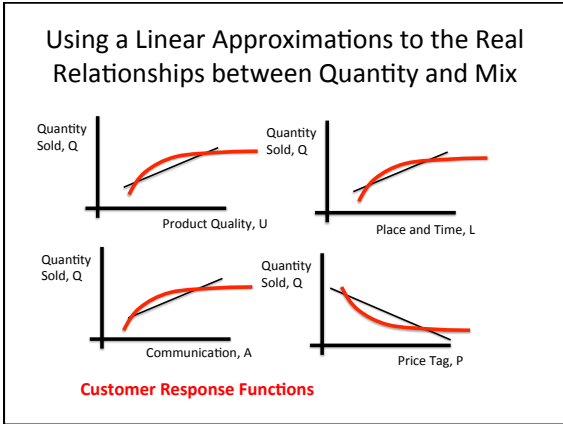
Decisions Involving the Biz Café Marketing Mix is a Subset of total set of decisions		Marketing Mix Decisions and inputs
Number of Servers to Hire/Fire	20 servers	Service and P roduct Quality
Price Tag for a Medium Cup	\$3.50	P rice
Type of Newspaper Ad	General Awareness, \$200 per day	P romotion Mix
Number of Daily Radio Spots	\$40 per spot	P romotion Mix
Hours of Operation	8 am-10 pm, 70 hrs	P lace and Time Mix
Quality of Coffee	Best, \$6 per pound	P roduct Mix

Some Marketing Decisions Have

- **Immediate and Long Term** Impacts on Demand
- Choice of location
- Choice of Furnishings
- Choice of Machine Size (Capacity)
- Choice of Server Training
- Choice of Pastry Oven
- Choice of Coffee Roaster
- These might be treated as project management or capital budgeting decisions

A Change in the 4P's is expected to Change the Immediate Volume of Sales, Q





Any Questions about the 4 P's

- As Marketing Decisions as Input into the game