

The 4ps of marketing

[Business](#), [Marketing](#)



These four parameters have been widely accepted as the controllable ingredients for decision making in the marketing process. In every industry, marketing managers apply the four elements of marketing mix in an attempt to maximize private managerial and productive efficiency and, naturally, to satisfy the consumer's needs and wants. Each of the 4 P's has numerous subcategories that together construct the marketing mix. The main aim is to focus each parameter on the target market to ensure the optimal perceived value, measured in terms of its respective market response.

The Product The product is a good or service offered to satisfy the needs and wants of consumers. The product consists of three main stages: the core, the actual and the augmented product (Encyclopaedia of Business and Finance).

The Core Product Firstly, the core product addresses the real benefits of buying the product. Mobile phones are the most familiar products Motorola offers and may be considered an essential item by some customers. In 2005, Mintel, a market research company, showed that 80% of the youth market in the U. K. has a mobile phone and that 61 million people subscribe to an airtime contract. Therefore Motorola needs to distinguish its mobile phones from the wide range of products offered by the other big brands in this competitive market.

The Actual Product This consists of all the value added features such as the brand name, additional parts and features and styling. It is mainly at this stage that companies focus on their ability to differentiate their products from those of their competitors. In developing its products, Motorola concentrates on: - attractive design - ease of use - entertainment Motorola recently launched the Motorola RAZR V3i which is the thinnest clam-shell

phone currently available in the market and, hence, highly advertised as such.

The Augmented Product This last stage includes all the additional services and benefits covering the first two stages. In today's market, there is a growing enhancement of the augmented product such as technical advice and support centers, product add-ons and service agreements. Motorola has a 24-hour customer support service and each Motorola mobile phone can be updated with new software.

The Price There are various types of pricing and these will be dependant on the marketing mix - product, place and promotion - costs, the company's overall objectives and the target market. Vodafone, one of the largest mobile service providers, charges different prices for their services and contracts in the U. K. and Portugal. This is due to the different elasticities of demand in these two different target markets, geographically separated. In the U. K., where the market is more competitive and the demand more elastic, Vodafone feels a higher need to set their pricing strategy to benchmark the competition.

In addition to this example of a geographical pricing strategy, there are other price-adjustment strategies widely used: Discount Pricing, Discriminatory Pricing, Promotional Pricing, Psychological Pricing. A world-wide case of a psychological price adjustment is Apple's Ipod strategy. To set the prices of the music players, Apple uses cost base pricing. However, in their marketing plan Apple declares it adds a 65% profit margin to the cost of the product to

gain efficient revenue. The company's aim is also to, inherently, strike a price and quality interaction. In this way, the high price denoted quality.

The Promotion Promotion is a means of communication with the market and with an organization's publics. The publics are all the individuals and other organizations that are interested or reliable on the business activity of the company. Therefore, it is in the business interest of every organization to ensure that a consistent and convincing message is delivered through its various communication channels, coordinating and integrating marketing communications. The four tools that comprise the promotion mix are as follows: Advertising, Sales Promotion, Public Relations and Personal Selling.

The number and variety of TV channels, the downloadable programs and series and the decline of mass audiences tied to specific broadcasts makes it difficult for marketing executives to put forward their messages effectively as desired. Therefore, there is a growing focus on public relations, as a tool to develop a positive attitude towards the organization and enhance the credibility of its product, and Ford, official sponsor of the UEFA Champions League, successfully pursues this method. The 'Destination Football' campaign, active for 9 months every year, links the Ford brand image to passion, desire, success, movement, speed and youth and is a great pathway to a strong public relations operation.

Furthermore, in the 1920's, an impressive mass of casual laborers and Boy Scouts were employed to cover the country and knock on doors giving away millions of Kellogg's Corn Flakes and Rice Krispies sample packs. Within a matter of ten years, Kellogg's transformed the eating habits of a skeptical

nation, accustomed to eating porridge and bacon and eggs. This is sales promotion, the creation of short-term incentives to encourage consumers buying a company's products.

The Place (Distribution) This parameter involves having the right product, in the right medium and in the right location and time to be purchased by consumers. The proper placement of products is achieved through the management of the distribution channels. This refers to all the levels (organizations) through which the end product must pass to reach the consumer. Large organizations such as Apple use intermediaries to get their products from the manufacturer (Apple Inc.) to its costumers. Wholesalers and retailers are examples of intermediaries. For instance, Apple iPod's can be bought at John Lewis and Motorola mobile phones can be bought at Curry's Digital. Therefore, channels of distribution consist of interdependent organizations working together to make the product available to the consumer. Moreover, there is physical distribution. For instance, Apple leases trucks to transport the inventory, which is then kept in warehouses close to intermediaries.

The Relevance and Applicability of the Marketing Mix: iPod and Zune The technical depiction of the marketing mix varies from time to time. In earlier times, writers saw it as the " procedures, policies, and processes" of marketing but nowadays they seem to be viewed as its " parameters, tools, or instruments" (Waterschoot, Walter van: Journal of Marketing 56: 4). However, all in all, a coordinated, integrated and well-communicated marketing mix is the key to an effective marketing strategy. Nevertheless, as

the marketing mix has not yet been clearly defined, problems regarding its applicability and relevance may arise.

Apple's 'iPod' and Microsoft's 'Zune' are two products manufactured to compete in the same market. However, one was an outstanding success and the other a dismal failure. Therefore, is the marketing mix relevant at all? Is its applicability an issue in these situations? Unlike iPod, Zune is a market challenger attacking its chief competitor whose target market age group is 18-28 years old. It is positioned upon product.

In terms of relevance level, it is being stated that underglobalization, firms should be "adapting their product offering" (Kotler et al pg. 569) since standardization generates quite a lot of problems due to differences in culture, lifestyle, language, behavior and different stages in Product Life Cycle across continents. In that sense, it might be irrelevant to coordinate a marketing mix for each individual product-selling nation. For instance, two different pricing strategies should not be applied on Zune in different countries since this will have negative effect on the corporate image.

Moreover, Zune is similar to iPod in terms of its pricing and features. This makes it become a direct substitute for iPod and customers will have a concept of 'either Zune or iPod' which has limited the range and number of both new and existing customers. Thus, the product strategy which Microsoft has adopted in Zune is inapplicable as it does not generate sales. In contrast, Apple was the pioneer in this innovative, digital music devices' market. Its uniqueness also derived from its complementary software, iTunes, which became the world's leading source of online music. Moreover the packaging,

innovative design and many add-ons not only set the product apart from its competitors, but has been a good marketing strategy itself.

Hence, the company believes that additional gadgets like headphones, speakers, carrying cases and adaptors for cars would keep consumers from switching to a competing product even if it is cheaper. iPod's brand name not only guaranteed a perception of good quality but innovativetechnologymaking the product desirable for consumers. Since iPod has become extremely fashionable, Apple was able to adopt a prestige pricing strategy, indicating that consumers purchase the product as status symbols.

Nevertheless, with the increasing entrance of new similar products in market offered at a cheaper price, Apple introduced new models of iPod that had a smaller memory but at more affordable prices. Although Microsoft is adopting Range branding Strategy on Zune, i. e. " the firm develops separate product range names for different families or product" (Kotler et al. pg. 566) the corporate name 'Microsoft' has exerted a great deal of negative influence on the marketing mix which makes it inapplicable. The name " Microsoft' is so well-known that it makes the marketing mix become unbalanced.