

The four p's of the marketing mix

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



The mix has to change and vary depending on where in the life cycle a product currently resides. " The four As represent the sellers' view of the marketing tools available for influencing buyers. From a buyer's point of view, each marketing tool is designed to deliver a customer benefit. " (Coffer, Chapter 1). The concept is that for a company to have success with a product, the marketing needs to be strategic in overall outlook, and tactical with each product, depending on where in the life cycle the product is. If the marketing isn't

Integrated, widely separated activates will not have the desired effect on product sales. The four P's and the life cycle are just one important component to truly integrated marketing management. The mix and life cycle will be examined and real world examples provided. Product Life Cycles product or service life cycle is classified into four areas: market introduction, market growth, market maturity and sales decline. Understanding the marketing needs at each step in the cycle is imperative to success of the product or service.

In the introduction of the product, Perpetual et al. Explain that product is one or few, and that as the product moves to the growth phase; marketers are concerned with building brand familiarity and loyalty. Continuing the cycle into maturity phase the product battles with competitors to retain identity in a crowded market, and finally during the declining sales phase, some competitors will drop out. (Armstrong, Chapter 21). The Introduction cycle is the most important, where customers need to be influenced, and leaders and partners found.

As Garrett states in his article, "The first step is to create demand by differentiating the product through a description of its features and benefits. Demand and differentiation happen in the awareness and education phase of the adoption cycle." (Garrett, 2002). The marketing mix includes place, which is placement of the product in the market, and how to get it there. The life cycle blends with place, starting at the introduction with the building of distribution channels and using selective distribution as the product heads into growth.

As the product fades from the mature phase to declining, gradual movement toward intensive distribution is the norm. Promotion also varies depending on what point of the life cycle a product is in. During an intro, the marketing will vary depending on whether or not it is a new product in a new industry or a new product in an established industry. The main theme is building demand for the brand or product, and pioneering the product in the marketplace. As the movement into growth, maturity and decline continues, promotion will ramp up to selective demand growth, and a cycle of informing and competing with other like products.

Finally, there is price. During an introduction, prices may be lowered to 'skim' business from competition and build the brand. Similar to promotion, there is a blend in the growth, maturity and decline phases. In markets controlled by a few firms, price matching is likely, whereas in a widely scattered market, price dealing and cutting may be necessary. (Armstrong, Chapter 21). Real World Example start-up company in an intensely competitive landscape offers many great examples of how the 4 P's are implemented.

The company is a medical device start-up, funded by private investment in two disbursements totaling 14 million dollars. The product is a niche product for the gastroenteritis, urology and genealogical markets. Gastroenteritis represents a small percentage of overall medical device sales, however with the increasing awareness of colon cancer, and the ease of colon cancer screening, along with the baby-boomers aging and reaching screening age now, the opportunity existed for a product that would make screening easier for the physician, patient and facility. Product is the first thing; is it needed in the market?

The research showed that it is. For the product launch last November of 2006, the key was getting the product in the hands of key luminaries in the field. As part of the FDA approval process, the company sought out partners for an RIB (institutional review board) on the new product. University and teaching hospitals have internal departments that manage this type of research, and it was important to get the product in the hands of key GIG docs with international reputations. Working with the key docs directly put the product in the right light prior to beginning to sell the product.

The product has no real competition, as it represents a new technological twist in the stand-by colon cancer screening testing process. As the product moves into market growth phase, we will mass market to all GIG docs, as well as to surgeons that perform this type of procedure. As we move forward, we intend to market aggressively to physicians that perform a lot of the tests, and need options when they are presented with challenges. Continuing with the 2nd of the 4 P's, Place: This is quite easy for a start-up. A sales

force is needed. At launch phase, the company employed 4 regional sales managers to cover the four quadrants of the country.

As the product begins to enter a growth phase, selective distribution will begin. In this case, the company will contract with independent contractors with other products in the GIG field. These manufacturer's representatives are independent, costing the company no more than a commission on the sale, at the cost of direct control of the sales force. The distribution will intention to ramp up as the product enters maturity, with large distributors like Cardinal Health and McKesson offering our devices to the US and international hospital community.

Promotion is always a challenge for any company, but especially for a start-up. Promoting something from scratch is a challenge than magazine ads and conventions don't address alone. In the case of a start-up, promotion is pioneering, taking the adopter/innovators, docs that are familiar with product start-ups, and luminaries in the field. These personalities will then take the word to the rest of the medical immunity, thereby accomplishing a good deal of marketing for the company.

As the product moves into the growth and maturity phases, the company will increase journal advertising, published clinical studies and white papers, as well as partnering with hospitals on new research and techniques for surgery involving our device. As the product moves through maturity and into decline, specific ads and promos for surgeons and Gig's will increase, as well as promoting to other groups in need of the technology. The final phase is price. As a start-up, there are special considerations. The company is well

aware of the burn rate of private investment, and must balance income versus market share and acceptance.

Most companies offer an intro price that is lower than the expected average sales price. The company being examined chose to have a list price, with wiggle room. The thinking is that giving a lot of product away early on will build dependence and loyalty to the product, ensuring income and continuation of the company. As the product enters growth phase, average sales price may rise slightly as less customer-specific deals are needed. In the maturity phase, larger strutting agreements may create a lower price in exchange for a bigger chunk of market share. Product, place, promotion and price.

The four Up's of marketing are the key to strategic initiatives undertaken by a marketing manager. In order to achieve desirable revenue levels and market share, an integrated marketing strategy that focuses on the four Up's, the product life cycle, and the changing market conditions is the correct approach. Effective marketing demands research and careful study of the marketplace to determine the appropriate price levels, the right place to sell and racket the product, the most effective promotion, and the right price to charge the customer, taking into account the life cycle of the product, as well as the market.