

# 4.5 The Four Ps

Product, price, promotion, place

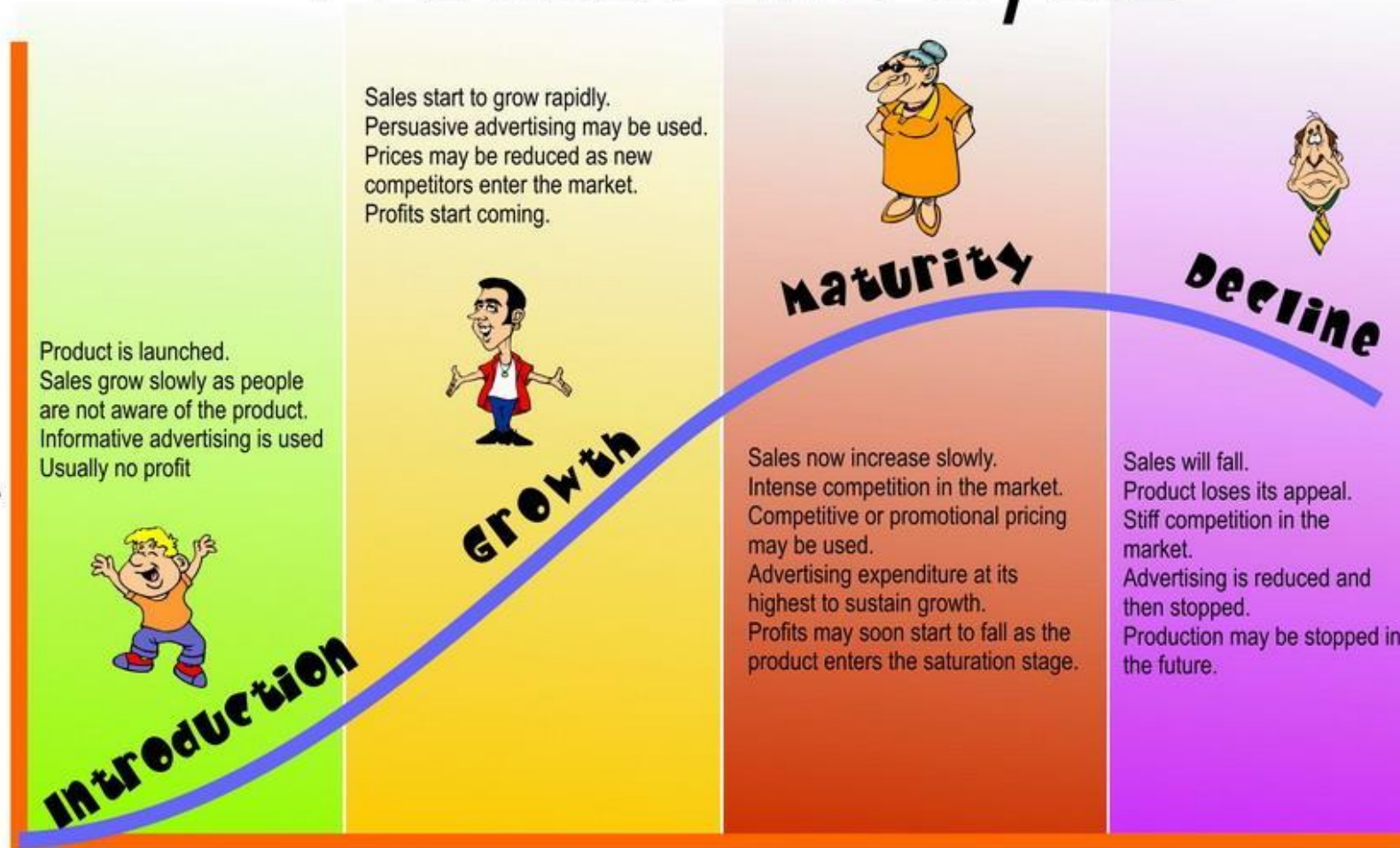
# The First P: Product

- ▶ In the marketing mix, **PRODUCT** provides a **solution** to a customer problem.
- ▶ The same product could be a solution to different problems identified.
  - ▶ Examples?

# Product Life Cycle



**sales**



downloaded from [www.dineshbakshi.com](http://www.dineshbakshi.com)  
interactive crosswords, quizzes,  
mindmaps, flash games.

**time**



# BURTON INC<sup>®</sup>



**sales**

Product is launched.  
Sales grow slowly as people  
are not aware of the product.  
Informative advertising is used  
Usually no profit



**Introduction**

Sales start to grow rapidly.  
Persuasive advertising may be used.  
Prices may be reduced as new  
competitors enter the market.  
Profits start coming.



**Growth**



**Maturity**

Sales now increase slowly.  
Intense competition in the market.  
Competitive or promotional pricing  
may be used.  
Advertising expenditure at its  
highest to sustain growth.  
Profits may soon start to fall as the  
product enters the saturation stage.



**Decline**

Sales will fall.  
Product loses its appeal.  
Stiff competition in the  
market.  
Advertising is reduced and  
then stopped.  
Production may be stopped in  
the future.

**Extension**



**New  
Strategies**

**TIME**





# Boston Consulting Group (BCG) matrix

- ▶ Designed to show companies the need for a balanced portfolio



# Branding

- ▶ What are all of the elements that comprise a company's brand?
  - ▶ Name? Signs? Logos? Slogans? Color scheme? Fonts?
  - ▶ Yes, it includes all of these, but is much more:
  - ▶ <https://www.youtube.com/watch?v=5P05PTnOpww>
- ▶ Aspects of branding - what are the following?
  - ▶ Brand awareness
  - ▶ Brand development
    - ▶ What can happen if a brand is so popular that it is often confused for the whole category, like Kleenex?
  - ▶ Brand Loyalty
    - ▶ Why is this important?
  - ▶ Brand Value
    - ▶ The premium that a customer will pay for a brand over and above the product itself

# Packaging

- ▶ Impacts perceptions of a product - why?
- ▶ Differentiates from the competition
- ▶ Practical:
  - ▶ Protects from damage
  - ▶ Labels provide info
- ▶ Promotional tool
- ▶ Can be costly

















# The Second P: Price

- ▶ Determining the right price is an essential marketing decision: why?
- ▶ What factors must be weighed when determining the price of a product?



# Types of Pricing Strategies

- ▶ Cost-plus pricing
  - ▶ What is it and what is good/bad about it?
- ▶ Penetration pricing
  - ▶ Meant to get into a new market
  - ▶ What are the 2 negatives could happen?
- ▶ Price skimming
  - ▶ Setting a high initial price for a product
  - ▶ How can companies get away with this?
- ▶ Psychological pricing
  - ▶ What kind of companies would not want to use this?

# More Pricing Strategies

- ▶ Loss leader
  - ▶ Examples?
- ▶ Price discrimination
  - ▶ When a product is sold at different prices to different customers
  - ▶ Examples?
- ▶ Price leadership
  - ▶ Just what it sounds like
  - ▶ Must have a dominant market share (real or perceived)
- ▶ Predatory pricing
  - ▶ Why is it called this?

# The Third P: Promotion

- ▶ What is the main goal of promotion?
- ▶ What is in the promotional mix?
  1. Advertising
  2. Personal selling
  3. Direct marketing
  4. Sales promotion
  5. Public relations
- ▶ Promotion can be informative, persuasive or meant as a reminder
  - ▶ Which is the most common?
  - ▶ Examples?
- ▶ Persuasive techniques...



Take Time Out for Life's Simple Pleasures



 *Simple Pleasures*  
LAUNDRY DETERGENT



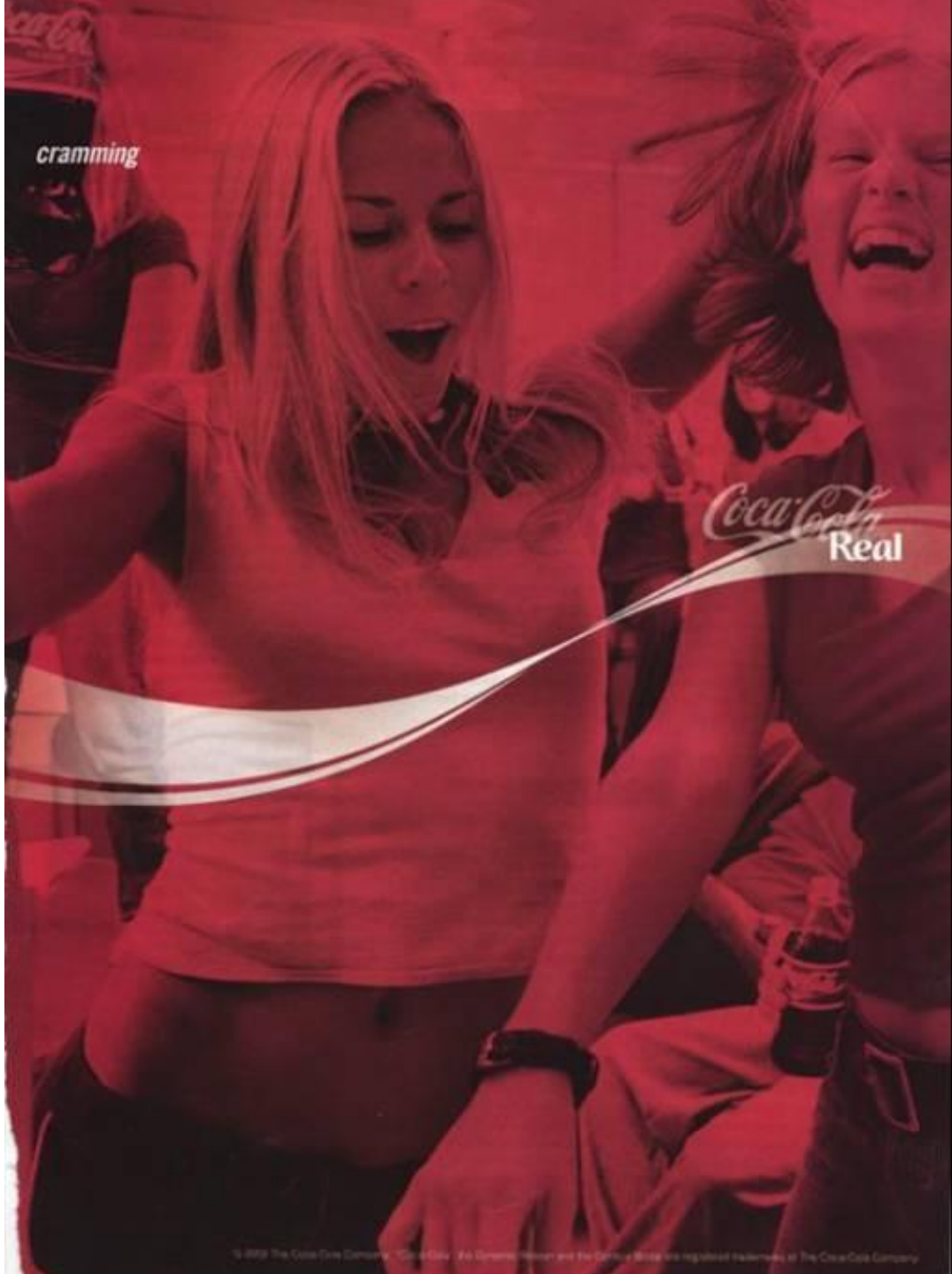
### Just Like Heaven.

How do you define bliss? Whether it's the split-second rush of adrenaline as you accelerate into a tight curve, or the kind of crisp handling and response that makes you feel at one with the road, the BMW 3 Series is bound to make your heart skip a beat. Or two. The 3 Series.

Pure drive. Pure heaven.



The New BMW 3 Series  
<http://www.bmwusa.com/>



cramming

Coca-Cola  
Real

A dynamic action shot of Kobe Bryant in a white and yellow Los Angeles Lakers jersey, captured mid-air as he jumps to shoot a basketball. The background is dark with vibrant, colorful light trails in shades of purple, blue, and yellow, suggesting motion and energy. The Nike logo is visible on the basketball.

**NIKE**  
JUST DO IT

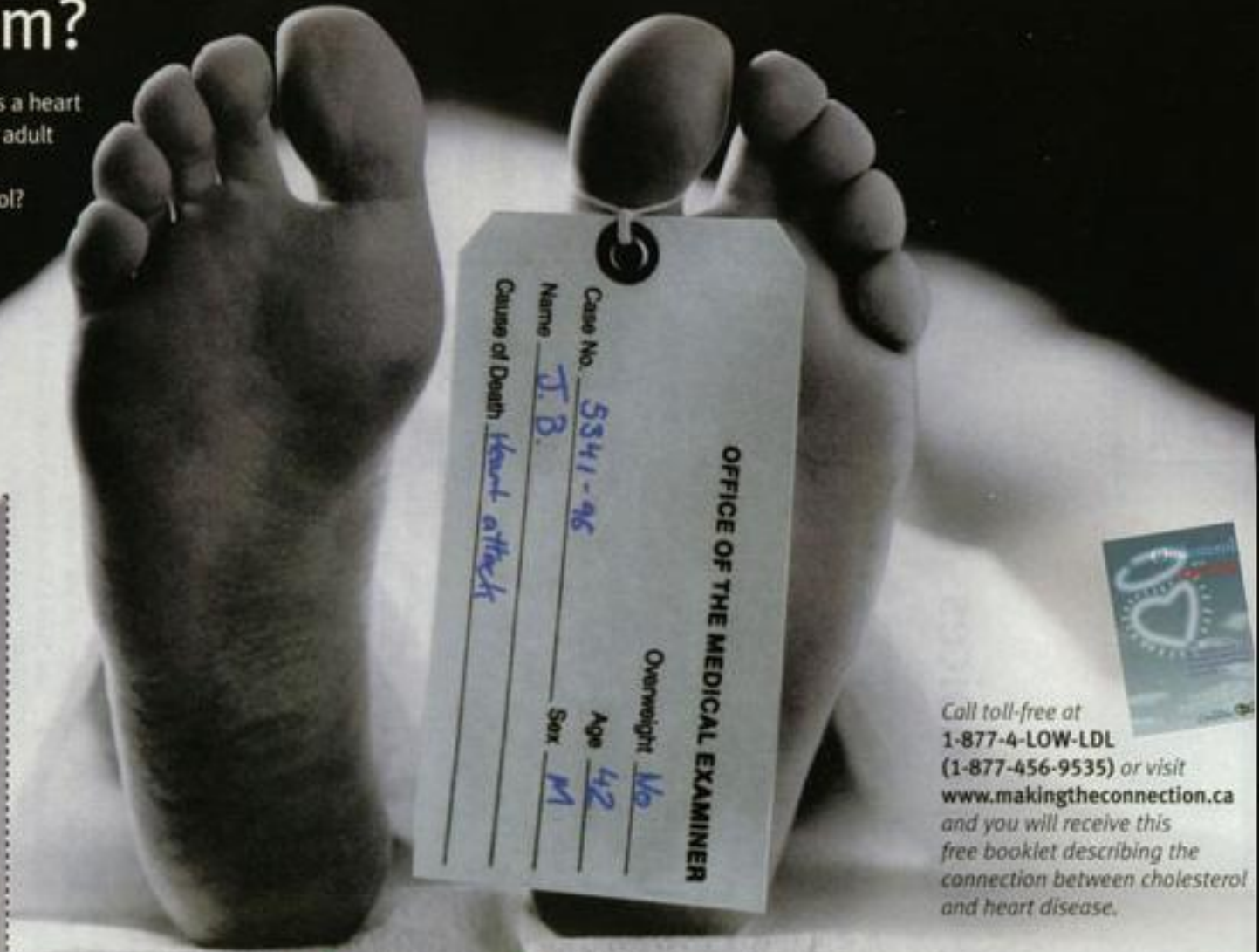
# Which would you rather have, a **cholesterol** test or a final exam?

For many, the first sign of heart disease is a heart attack. Did you know that one out of two adult Canadians is at risk of developing heart disease because they have high cholesterol? And that cardiovascular disease IS the leading cause of death in Canada?

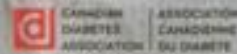
High cholesterol is a major risk factor for heart disease but managing your cholesterol can be quite simple.

If any of these apply to you, cut this screening test out and ask your doctor about getting your cholesterol tested:

- Woman 50 years or older
- Man 40 years or older
- Heart disease (angina, heart attack, coronary bypass, stroke, angioplasty)
- Diabetes
- Family history (mother, father, sister, brother or grandparent) of heart disease or high cholesterol
- Two or more of the following:
  - Overweight
  - Physically inactive
  - Smoker
  - High blood pressure



Call toll-free at  
**1-877-4-LOW-LDL**  
(1-877-456-9535) or visit  
[www.makingtheconnection.ca](http://www.makingtheconnection.ca)  
and you will receive this  
free booklet describing the  
connection between cholesterol  
and heart disease.



The Canadian Diabetes Association has reviewed the "Making the Connection" program for its medical and scientific accuracy. The Canadian Diabetes Association does not endorse the products of any pharmaceutical company. Sponsored by one of Canada's research based pharmaceutical companies.







EVERY 43 SECONDS SOMEONE  
DIES FROM GUN VIOLENCE

Your signature can help in the fight against gun violence.



[www.gunviolence.org](http://www.gunviolence.org)

On a par with the finest buildings in the most important cities of the world, unique in its size, scope and revolutionary contemporary style; developed in Panama's best moment.

In **Punta Pacifica** the most exclusive and best located area in **Panama City**, a project of incomparable proportions that will make real estate history in Latin America and the Caribbean. An integrated living project with condominiums, hotel, offices an entertainment complex all in one place, 5 minutes from the Panama City's Business District and two largest shopping malls - Multiplaza in Punta Pacifica and Multicentro - and less than 14 minutes from Tocumen International Airport.

This project is considered to be the best investment for both international and local buyers. You have the option to rent your property when you're not using it. We will manage the rental of your condominium- an option that gives you an important additional return on your investment. **The Ocean Club** is the place where investment, lifestyle and entertainment all come together to create a whole new style of life. Your place to dream in peace, with the ocean whispering in your ears.



Phone 1(954) 232-9762  
[MiamiRealEstateTrends.com](http://MiamiRealEstateTrends.com)

## The RE/MAX Network, 2005



**RE/MAX®**



**1 Global Network**

Why are we successful?  
Because we're the best

Aflac™



# Types of Promotion

- ▶ There are two main categories of promotion:
  - ▶ Above the line (ATL)
  - ▶ Below the line (BTL)
  - ▶ What is the difference?

# Above the Line Promotions

- ▶ Broadcast Media
  - ▶ TV Ads
    - ▶ Highest form of advertising - why?
    - ▶ Advantages/Disadvantages?
    - ▶ What has changed in recent years?
  - ▶ Radio
    - ▶ What are the positives with radio advertising?
    - ▶ What are the negatives?

# Above the Line Promotions

- ▶ **Print Media**
  - ▶ Newspaper
    - ▶ +/- ?
  - ▶ Magazine
    - ▶ Why are they better/worse than newspaper ads?
- ▶ **Outdoor**
  - ▶ +/- ?



# Below the Line Promotions

- ▶ Branding - what are the top brands in the world?
  - ▶ <http://www.forbes.com/powerful-brands/list/#tab:rank>
- ▶ Slogans
  - ▶ Must be simple, catchy and should talk about the product's benefits to the customer
- ▶ Logos
  - ▶ <http://www.adweek.com/adfreak/40-brand-logos-hidden-messages-starting-most-famous-one-160798>
- ▶ Word-of-mouth
  - ▶ Why is this such a powerful promotional tool?

# Below the Line Promotions

- ▶ Direct marketing
  - ▶ What are the two types?
- ▶ Sales promotions
  - ▶ Meant to spur product sales
    - ▶ Coupons, premiums, contests/sweepstakes, sponsorships, loyalty programs, etc.
- ▶ Point-of-purchase promotions
  - ▶ What type of product is this meant to sell?
- ▶ Publicity
  - ▶ What is the major positive of this and why?

# Guerilla/Stealth/Ambush Marketing

- ▶ Promoting a product in an unconventional manner.
- ▶ Most ambush marketing happens when the customer doesn't know they are being promoted to.
- ▶ What is good/bad about this method?







IT'S A CHALICE,  
NOT A GLASS.

WHO USES  
THE WORD  
"CHALICE"?

NEWCASTLE ★ NO BOLLOCKS

WE DO  
NY  
STALE  
SPECIALS



This boat sailed  
off the coast of  
the 2009 British  
Open







# Viral for the game GTA IV





Your move, BMW.

The entirely new Audi A4.



Audi

Checkmate.



Santa Monica BMW

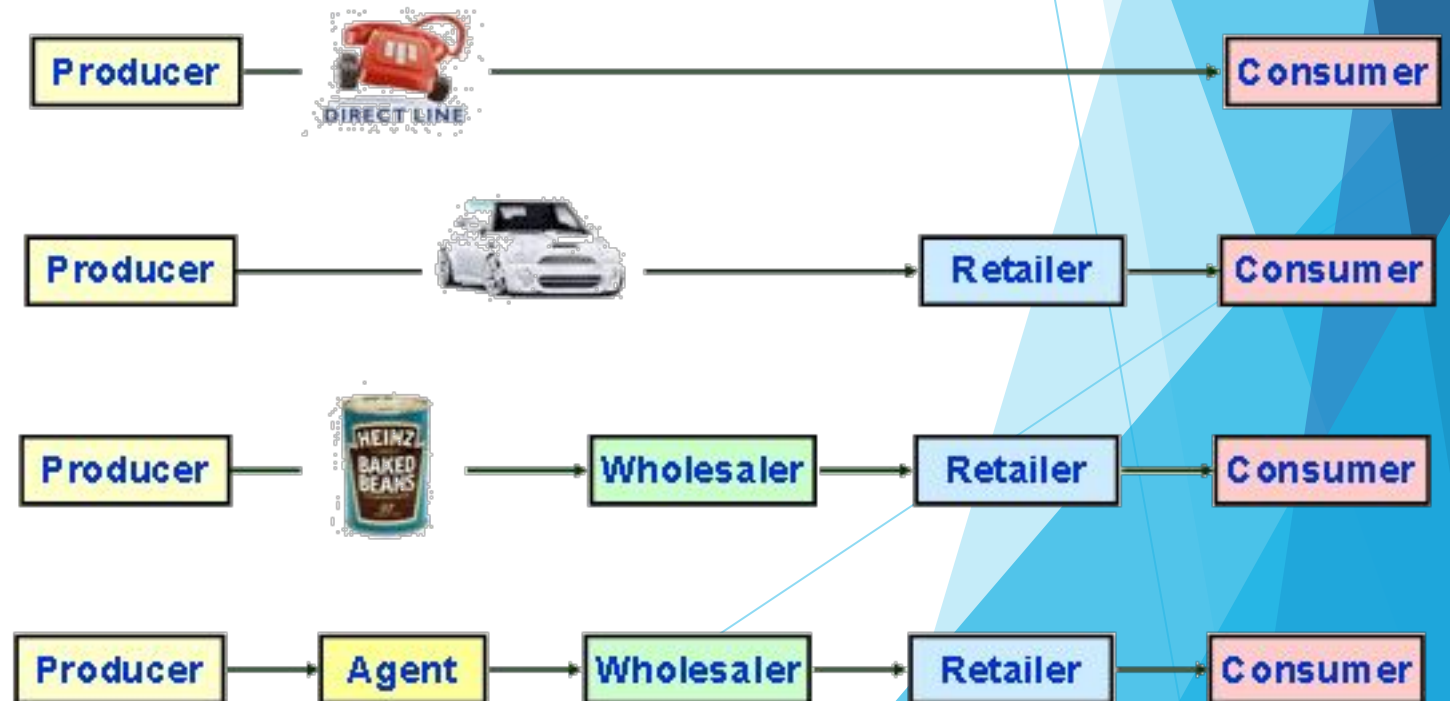
[smbmw.com](http://smbmw.com)

New Cars: 12th & Santa Monica / Certified Pre-Owned: 19th & Santa Monica



# The Last P: Place (Distribution)

- ▶ Commonly called “channel management” now.
- ▶ Physically, how do the products get into a customer’s hands?
  - ▶ How are services distributed?
- ▶ What is a channel of distribution?
  - ▶ What are the different entities?
  - ▶ Wholesalers
  - ▶ Distributors
  - ▶ Agents
  - ▶ Retailers



# Specialty Channels of Distribution

- ▶ Manufacturers may want an alternative form of distribution for the following reasons:
  - ▶ Don't have to share profits with intermediaries
  - ▶ Companies have direct control over their products
  - ▶ Customers trust online transactions
  - ▶ Can reach customers that don't have access to retail stores
- ▶ Types of specialty channels:
  - ▶ Telemarketing
  - ▶ E-Commerce
  - ▶ Vending machines
  - ▶ Mail order

