



The Marketing Mix - 4P's

Overview:

A marketing mix is a set of marketing tools that a company use to direct its marketing objectives in the target market. One of the most popular marketing mix classification is the 4P's: Product, Price, Place (distribution) and Promotion.

- **Product** factors: quality, features, style, brand, packaging, warranties etc.
- **Price** factors: list price, discount, payment period, credit terms and also the "switching cost" - the cost (time, money, effort) of changing to/from a different product or service.
- **Place** factors: distribution channels, market coverage, locations, inventory, supply chain logistics
- **Promotion** factors: advertising, sales promotion, public relations



Moving away from the jargon, the 4P's simply mean:

Product - what is it and what does it do?

Price - how much does it cost and how much profit is there for us?

Place - how do you get it to the customers?

Promotion - how do you tell potential customers that the product/service is available?

There are many models that extends the number of P's, but the basic simplicity of the 4P model makes it memorable. That it covered a wide range of competitive factors also lend strength to its popularity. Although the model was first formulated in the early 1980's, it is still relevant when applied to "dotcom" products of the internet era. Possibly the only addition to bring it fully up to modern management jargon would be adding the word "value" to the definition of the four individual "P" elements.

Origins:

The original 4P's came from E Jerome McCarthy in his book "Basic Marketing: A Managerial Approach".

Using the 4P Marketing Mix:

This is virtually a universal marketing tool and can be applied to all manner of products and services. This can also include you marketing yourself to colleagues, friends, current and future bosses. In a personal situation: the Product is you and the Price is your desired reward and the value you bring. The Place is how/where you deliver the value you bring and Promotion is about do you promote yourself (or the value you deliver) to those around you.

Resources:

The Marketing Teacher website <http://www.marketingteacher.com>

The Chartered Institute of Marketing <http://www.cim.co.uk>

McCarthy, E. J. and Perreault, W., "Basic Marketing" (this book has evolved to a range of titles and at least nine editions)

Most marketing textbooks will cover the Marketing Mix to some extent.