



## Optimising the 4 P's of Marketing

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Achieving the right balance of the four elements of marketing (product, price, place and promotion) is one of the most basic decisions facing any manager. However, with all the pressures facing most business managers, it is very easy to overlook these basic decisions, and over time they can move away from their optimum positioning.

Here are a few tips that might assist you and prompt you to think of this most basic, but most important, aspects of managing any business.

CBE is well equipped to assist managers to assess the effectiveness with which that are managing the marketing elements in any business. We bring a logical and rational method to the assessment, and help managers to correct the elements that have slipped.

The following comments apply equally to consumer and industrial products.

### **(Most Important) Product**

Without doubt, product is the most important element in marketing. The closer your product is to satisfying an unsatisfied need or want more effectively than your competitors, the greater your ability to generate strong and sustainable profits.

Unfortunately, many businesses:

- Fail to invest sufficiently in market research to understand the needs of customers and non-customers. This is necessary to guide product development, and can identify opportunities for new products and product improvement that will assist your company to differentiate itself from your competitors.
- Do not understand their competitors well enough. The better competitors are understood, the more effectively you can compete.
- Do not invest enough in innovation to improve product benefits to more closely align them to the unmet needs of the market. The best benefits are those that are unique and important. Analysing the benefits of competitor products and comparing them with your own, through the eyes of the market, is necessary to ensure your product/s stands out.
- Miss out on huge opportunities for better positioning of their product compared with competitors, and as a consequence, miss out of significant opportunities.

### **(Most Underdone) Pricing**

Pricing is the element in marketing that represents most opportunity for most businesses to increase profits quickly. Price is often the first, often even the only, way that consumers and buyers make a judgement about a product's quality. The higher the price, the higher the perceived quality. There have been many examples of where companies have increased prices and this has actually led to an increase in demand and sales! I have personally been involved in a number of these, particularly in export markets. One example was a very well known vegetable processing business that was trying to establish itself in the UK. The manager had appointed and sacked three agents over a five year period. In frustration, we were engaged to review and rectify the situation. We achieved export orders, direct to end users, at 20% higher prices than had previously been thought possible.

Pricing issues (including distributor margins) can be complex and consequently is often not treated with sufficient diligence.

### **(Most Challenging) Place (Distribution)**

Distribution is the most difficult element in marketing. Deciding the segments into which a product should be sold and aligning distributors, agents and your own sales staff to optimise results is never simple. Within Australia it is frequently necessary to find and appoint multiple distributors. This can be difficult and expensive to manage. In export markets, many companies end up with the wrong distributor and fail to achieve the best possible results.

Identifying the best possible distributors, both in Australia and overseas, is a critical issue if profitable sales growth is to be achieved. The very best way to assess potential distributors is to ask their customers. We can show you how to do this.

### **(Most Waste) Promotion**

Promotion is the element of marketing that consistently represents most wasted money in many businesses. You've heard the saying "I know half my advertising is wasted, but I don't know which half..." This is the dilemma facing many managers. Of the elements of promotion, in which should they invest? Public relations. Personal selling. Advertising. Word of mouth. DVD's. CD's. Web sites. Newsletters. Trade Shows. Trade Missions. Field Days. Brochures. Displays. Competitions. Product labelling and packaging. Point of sale promotions. Posters. In-store demonstrators. How much of each? When? And even if the right decisions are made, how do you know whether it has been executed effectively?