

Back to Basics

By: Andrea Stemm

This day and age more and more companies are trying to get ahead in the market by dabbling into new wave marketing tactics and strategies. And, that's great if the foundation or core marketing basics have been established and integrated into the existing business strategy. However, I've seen far too many businesses get excited about the newest and greatest thing out there, that they forget the basics. Marketing 101: we need to be cognizant and really define the Four P's of Marketing relative to businesses which are Price, Place (distribution), Product and Promotion before diving in head first and chasing a new realm of marketing.

Each of the Four P's of Marketing is a way for you to differentiate your business or your products and services. It is essential to take a hard look at each "P" to best outline your marketing strategy. It's only after you've defined the Four P's, that you can better understand where these new wave marketing tactics and strategies such as SMS (text messaging), PURLs (personalized URLs), SEM (search engine marketing) or Guerilla Marketing fit into your overall marketing plan.

Price. Understanding your cost structure and pricing of your products and services will help define your position in the market. Decide whether you'll be a low cost leader, high priced thus perceived high quality or mid-priced to compete with other like businesses offering similar products and services. Your cost structure and pricing model will help determine your budgets, drive projections and help calculate ROI and breakeven points.

Place. It refers to the distribution of your productions and services. How is your product or service delivered to the end customer in the market place? Outline the supply chain or the logistics of how your product or service moves from the manufacturer, middleman, warehouse, into your retail location or website and delivered to the consumer. Zappos, an online shoe retailer has differentiated their business based upon speed to market with next day delivery. Wal-Mart is another retailer that has mastered the logistics of their supply chain reducing overall costs to pass on lower costs to the consumer.

Product. Outline the breadth and depth of your product and service offering. For a particular product how many variations or brands will you carry? What are your flagship products or services? Make sure that you have a target market or audience in mind for each line or level of products or services.

Promotion. It's one word that encompasses a lot. How are you going to let consumers know your company exists, what you have to offer and what makes you better than anything else out there? Promotion includes channel (where you promote- tv, mail, radio, magazine, online) creative (graphic design, copy, offer) and most importantly call to action and urgency to respond.

This Marketing Mix, or what's known as the Four P's of Marketing are the basics that build the foundation of your marketing plan. Don't overlook these basic elements. They'll help define your strategy. Once all P's are defined, then your business can successfully execute, measure, test and trend promotions to improve ROI from your marketing dollars.

Overlooking the basics and chasing new wave direct marketing tactics will not get you ahead in the market. You need to make sure they are aligned with your strategy and will get response in the form of new prospects, leads or sales from your targeted audience(s).