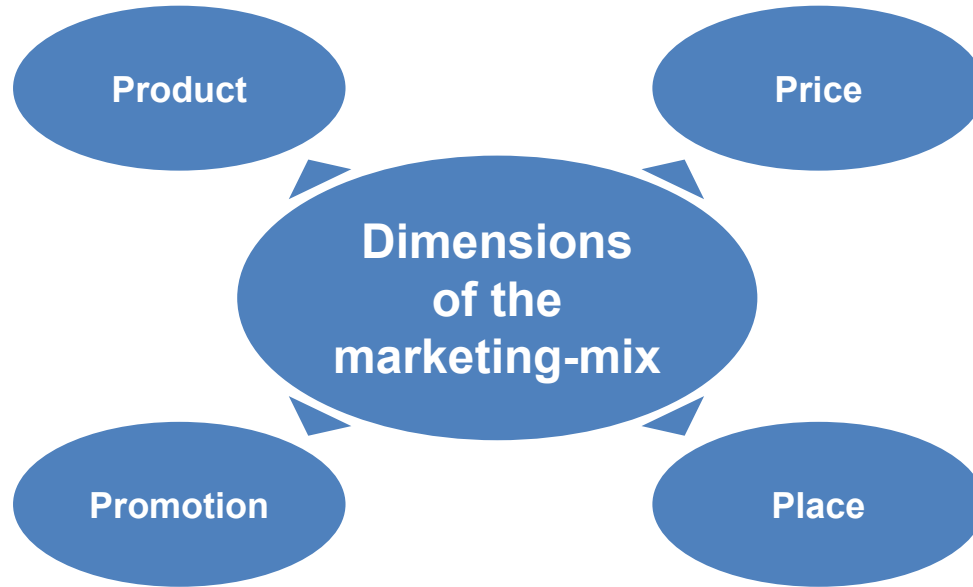


Marketing-mix: the classic 4 P's

- Dimension of the product (benefits)
- Brand identity: name / design / associations
- Innovation pipeline

- Communication channel focus (number, intensity, which ones)
- Content focus



- Level in the market
 - Skimming or penetration price strategy

- Kind / number of intermediates
- Market coverage

Sources: Kotler, Keller, 2012, p. 47.

Overview on the 4 Ps

4 Ps	Explanation
Product Policy	All activities of a company aimed at designing individual products or the entire sales program. Narrow sense: physical properties like product design, packaging; broader sense: branding or product related service.
Price Policy	All measures to specify a price which is reflecting a perceived balance between price and value created by a product or service and is in line with the targets and the relevant market. Skimming: new products/services are implemented for a relative high price; the price is successively reduced during the life cycle; penetration: new products/services are implemented for a comparatively (very) low price. Over the time, the prices can be raised.
Distribution (Place) Policy	All decisions and actions related to the direct and/or indirect path of products/services from the manufacturer to the final purchaser (from production to (commercial) use).
Communication (Promotion) Policy	The systematic planning, realization and control of all communication measures which intend to reach psychological communication targets and influence the behavior of the target group.

Sources: in accordance to Scharf, Schubert, Hehn, Marketing (2015), pp. 257-261; 337f.,383f.; Meffert, Burmann, Kirchgeorg (2015): Marketing, p. 512;

The marketing-mix in service: 7 P's (+3)



Sources: Wirtz, 2016, pp. 29–33.

Services Marketing Mix: 7Ps explained

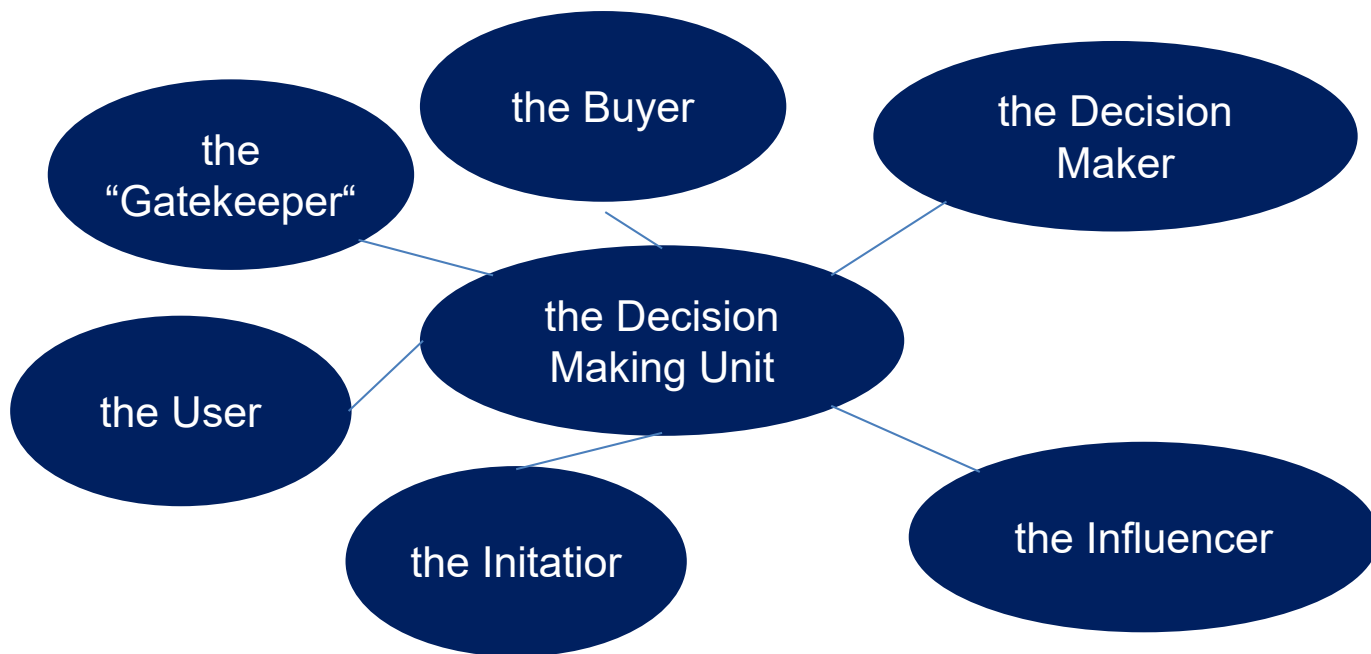
7 Ps	Explanation
Product	The services that a company offers to their customers. The service concept needs to offer value to target customers and satisfy their needs better than competing alternatives.
Price	The price the service costs the customer.
Distribution	How the service is delivered to the customer. Service distribution may involve physical or electronic channels.
Communication	All communication activities that promote and explain the service to customer.
People	All human actors who play a part in service delivery and thus influence the buyer's perception: namely the company's personnel, the customer, and tother customers in the servie environment
Process	The procedures, mechanism, and flow of activities by which the service is delivered – the service delivery and operating system.
Physical environment	The environment in which the service is delivered and where the company and the customer interact, as well as any tangible components that facilitate performance and communication of the service

Sources: in accordance to Wirtz, Lovelock (2016): Service Marketing, pp. 29-33.

Key differences

	Business to Business	Business to Consumer
Market structure	Geographically concentrated	Geographically dispersed
	Relatively fewer buyers	Mass markets, many buyers
	Oligopolistic competition	Monopolistic competition
Buyer behavior	Professionally trained personnel	Individual purchasing
	Functional involvement at many levels	Friends / family involvement
	Task motivation predominant	Psychological / social motives having higher impact

Different roles within the purchasing process in BtB



Source: Brennan, R.; Canning, R., McDowell, R. (2014): Business to Business Marketing, P. 43..

What marketers need to know about the DMU

1. Understand the DMU participants

- Number of participants in DMU
- Number of functional areas / departments represented
- Number of hierarchical levels involved

2. Understand the different roles within the DMU

- Which role(s) has each DMU participant?
- Which importance has each member in different phases of the buying process?
- Relationship between the DMU participants

3. Kind of needs

- Organizational needs
- Individual needs

4. Relationship and loyalty

5. Stakeholder values

Source: Brennan, Ross; Canning, Louise; McDowell, Raymond (2010): Business to Business Marketing, pp. 27-55.

Buyer – seller relationship

Interpersonal relationships

between buyers and sellers

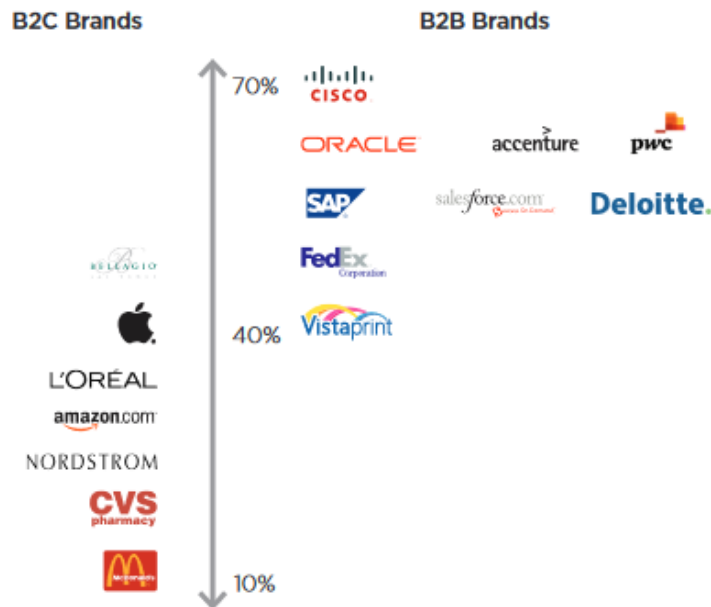
Technical **expertise** an asset

Significant **information**

exchange between participants on a **personal level**

Stable, **long-term relationships** encourage loyalty.

Customers who feel emotionally connected (%)



n = 3,000.

Source: CEB/Motista Survey.