

TN Small Business  
Development Center  
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*America's Small Business  
Development Center Network*

*Austin Peay State  
University*

*Chattanooga State  
Technical Community  
College*

*Cleveland State  
Community  
College*

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Community  
College*

*East Tennessee State  
University*

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*Middle Tennessee State  
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Technical  
Community College*

*Roane State Community  
College*

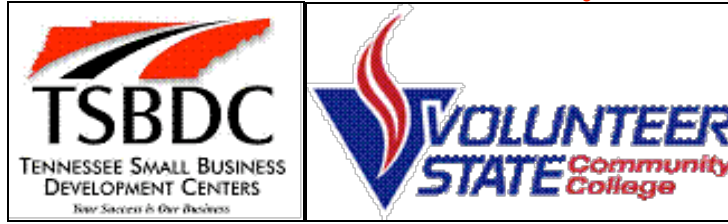
*Southwest Tennessee  
Community College*

*Tennessee State  
University*

*Tennessee Technology  
University*

*Volunteer State  
Community College*

## Small Business Development Center at Volunteer State Community College



A public service program of the Division of Continuing Education & Economic Development

### November's Newsletter Topic: The 4 P's Applied to Your Business

We have all heard of the four P's: product, price, promotion and place. It's one of those things you learned in school and always thought, well that's nice, too bad it doesn't apply to the "real world". Well, if you understand the four P's and how they apply to your business you can streamline your marketing efforts, understand your customer needs, and increase sales. Let's briefly discuss the four P's then we will apply the four P's to your business.

- **Product** – The first P stands for the product or service that your business offers. It meets a need or solves a problem of your target customers.
- **Price** – There are several pricing strategies, but ultimately balance is achieved by finding the price the target customers will pay and feel like they have received value for their money. It could be premium pricing, basic mark up, or value pricing.
- **Promotion** – Promotion also includes packaging. It will be important to learn which promotional channels your target customers pay attention to and the frequency required to get their attention. There are a wide variety of promotional methods; print ads, networking events, television, radio, sales people, PR releases, etc.
- **Place** – Place refers to the way products or services get to the customer. Depending on your business, there may be several "distribution channels" for your products or services. This could be store front, web site, delivery, etc.

Now let's take a look at how the boating retailer, **West Marine** applies the four P's: *West Marine is your one-stop shopping destination for boating supplies. We're the best supplier of boating-related products and services because we provide knowledgeable service, a customer-first attitude, and outstanding value to every customer.*

The chart below describes how West Marine applied four P's to their business:

<b>Customer Needs around...</b>	<b>Segment 1:</b> <i>Boaters</i>	<b>Segment 2:</b> <i>Boat Dealers</i>	<b>Segment 3:</b> <i>Boat Yards</i>
<b>Product</b> features & benefits that would be most appealing	Advice on best product for the application.  Multiple brands for recreation, boat maintenance, electronics.	Private label in addition to multiple brands for recreation, boat maintenance, electronics.	Private label in addition to multiple brands for recreation, boat maintenance, electronics
<b>Price</b>	Value pricing reflects quality of brands recommended, advice from fellow boaters.	Wholesale pricing with extra discounts for private label products.	Wholesale pricing with extra discounts for private label products.
<b>Promotion</b>	Direct mail list generated from retail customers, frequent customer card holders.  P/R from community involvement, reducing impact on environment.	Direct Mail  Catalog  Trade publications/shows	Direct Mail  Catalog  Trade publications/shows
<b>Place</b> (best distribution channel option)	Store front  Catalog  Web site	Stores located in boating communities.  Catalog  Web site	Catalog  Web site

## November Small Business Workshops

Sign up for any of these workshops online at [www.tsbdc.org](http://www.tsbdc.org).

[How to Start a Small Business](#) ★

Tuesday, November 11, 2008 4:00 PM to 6:00 PM, Fee: Free

[Developing a Business Plan](#) ★

Wednesday, November 19, 2008 2:00 PM to 5:00 PM, Fee: \$20

## **Small Business Tip of the Month:**

### *The 4 P's Chart*

Use the chart below to apply the four P's to your business. Simply write in the first segment of customers you have under "Segment 1". Next write in how each of the four P's apply to this segment. If you have any questions or would like any assistance at all don't hesitate to reply to this email or call 230-4780.

<b>Customer Needs around...</b>	<b>Segment 1:</b>	<b>Segment 2:</b>	<b>Segment 3:</b>
<b>Product</b> features & benefits that would be most appealing			
<b>Price</b>			
<b>Promotion</b>			
<b>Place</b> (best distribution channel option)			

#### **Remember the TSBDC offers the following:**

- **Free** and confidential one-on-one counseling for existing and start up small businesses. Whether the counseling is in the area of marketing, operations, management, or any other business service, the TSBDC consultant provides guidance every step of the way. *By appointment, please.*
- Training seminars on a wide array of topics for small business owners.
- Assistance with various funding proposals including SBA loans.
- Referral to professional services and agencies.

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