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:

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

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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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