

Marketing Factsheet: The Four Ps



The Four Ps make up what is known as the marketing mix -all the things a business does that have some impact on customers' attitudes to its product or services. They are:

- Product
- Price
- Place
- Promotion

A business offering a service may also need to take a further 'three Ps' into account: People, Process and Physical evidence.

This factsheet explains what these seven Ps are and the role they might play in your marketing strategy.

The Four Ps

Whether you are selling a product or service, the total package will have the following four ingredients:

- The **product** (or service) itself -what you actually produce, which is made up of a number of elements, such as features, design, quality and packaging. It needs to be acceptable.
- The **price** -what you receive for the sale, which will partly be determined by the balance between price and quality, and includes discounts and payment terms. It needs to be affordable.
- The **place** -where (and when) you sell the product or service, whether it's directly or through a retailer or wholesaler, face-to-face or through the phone or Internet. It needs to be accessible.
- The **promotion** -.what you do to reach your customers, whether through advertising, PR, a website, mailshots, leaflets and so on. It needs to create awareness.

Characteristics of services

Services have a number of characteristics -intangibility, inseparability, variability and perish ability -which may make the marketing mix for them more complex than the four Ps.

- **Intangibility**

Pure services are intangible in that they cannot be seen, touched, tasted or smelled before they are bought. This means that customers may find it difficult to evaluate a service before they buy it, making it necessary for the provider of the service to use tangible evidence of service quality. Take the service provided by a holiday firm as an



example. The customer cannot judge how enjoyable a holiday will be before they experience it, so the firm has to employ such tactics as showing pictures of the holiday destination, giving details of what's on offer in a brochure, and perhaps providing quotes from previous satisfied customers.

- ***Inseparability***

Services, unlike products, have simultaneous -or inseparable -production and consumption. This means that the people involved in providing the service contribute significantly to the satisfaction, or dissatisfaction, experienced by the customer. A customer's perception of the service provided by a

hairdresser, for example, may depend very much on how courteous and friendly they find the person cutting their hair. In short, the service must be consistently provided in the right way.

- ***Variability***

Service quality can vary considerably. A restaurant, for example, can offer a very different service from one day to the next because of the varying capabilities and attitudes of their staff. Again this points to the need to aim for a service that is consistently provided in the right way.

- ***'Perishability'***

Services are perishable in the sense that they cannot be stored for the future, which makes it vital to match supply and demand as much as possible. In, for example, the case of a hotel that has many mid-week customers but fewer weekend customers, this may mean finding ways of encouraging further weekend bookings, such as offering special discounts or providing more leisure activities.

The 'seven Ps'

The four characteristics of services outlined above can have a considerable influence on customers' perceptions of your service and therefore your marketing strategy. They may mean that you need to take seven, rather than just four, Ps into account.

The additional three Ps are:

- The people -the staff who will come into contact with the customers and so affect their perception of the service they are receiving; in some situations, 'people' may also include fellow customers
- The process -how the service is provided and the behaviour of the people providing it
- The physical evidence -anything that can give customers an idea of what service they will receive (such as demonstrations, brochures, case studies and testimonials), which may be necessary because elements of a service are intangible.



Using the four (or seven) Ps to gain competitive advantage

When thinking about how you are going to market your product or service, you need to pay attention to all four (or seven) Ps, but the emphasis you put on each of them will depend on the customers you are aiming at. For example, for some customers the price may be the most important factor; for others it may be the quality of the product. In other words, using the four (or seven) Ps will only give you an advantage over your competitors if you know what the needs of your target customers are and shape what you offer them accordingly.