The true 4 Ps of B2B marketing for CEOs

If you have been to a marketing seminar you have almost definitely seen a PowerPoint slide titled, “The 4 Ps of Marketing.”

The problem only arises if the marketing seminar was directed at helping you market your B2B company. The traditional 4 Ps of marketing support B2C marketing and are all but irrelevant when managing the marketing and selling of complex B2B products and service-based solutions.

A Quick History

According to Jerome McCarthy, back in the 1960s “the most common variables used in constructing a marketing mix are price, promotion, product, and placement (distribution)”. Since developing this model to help with the design of a marketing strategy, the approach has been coined “The 4 Ps.” Yet, despite the fact that limitations of the model were quickly acknowledged, it is still widely referred to today. Sure, there are those who have tried to expand on it to overcome the limitations of the model, leading to variations like the 5 Ps, the 8 Ps, etc. Marketers will be marketers after all...but if we keep it up, people are going to start treating us like we are in sales or something.

The reason that so many keep pounding away at The 4 Ps is because the model is simple. It does a lot to help contain complexity for the consumer goods marketer by helping them simplify the challenge they’re facing so that they can more easily understand, influence, and control the outcomes of their B2C marketing initiatives. But the important thing to realize is that The 4 Ps model was developed for business-to-consumer challenges, and not business-to-business challenges. This is why I cringe when I see it up in front of seminar audiences made up of mostly members of top management from B2B companies.

Fast key differences between the B2C and B2B marketing challenge

Marketing is marketing, right? Wrong. That is like saying physics is physics. But somehow it is easier for folks to understand that when you want to go to the moon you need different expertise, approaches, methods, processes, and tools than if you want to analyze particles that exist inside of your dining room table. The same holds true for marketing.

Consumer companies like Heinz have products all over the world, and they are not the same product lines. Pricing strategies change for them every day in Brazil, England, and the U.S. Distribution management is an endless task, and promotion is highly complex – what works in one country extremely well might fall flat or even offend if presented to a different culture. Now let’s consider how these more traditional landscapes of Product, Price, Placement, and Promotion are affecting your average professional services or law firm, specialty manufacturer making custom products, or non-profit organization.

How often is a 40-person architectural office changing its Product/Service? The answer is, “not very often” for most of them. They provide architectural services, and maybe specialize in school buildings, or spiritual spaces, or hospitals, but their product is a highly specialized and intimately customized service and it is not mass produced or mass marketed – though some have tried, and failed. Similarly, the pricing of their service is on a project by project basis with some understanding of overhead, inflation, and profit targets, but again, it is not changing very quickly, and buyers certainly are not cutting coupons. The method of distribution is direct sales that may be performed by an actual sales force, but in many service businesses it is performed by the principles of the firm. And as for promotion, the main thing that I see is that many of these businesses are either not promoting at all, or not promoting enough, or trying to promote themselves in the wrong way – with ineffective branding and awareness initiatives.

The 4 Ps is a bad way to go for B2B companies because the model fails in general to start with
the customer’s need where it all begins. So if someone were to put me in a headlock and force me to add a 5th P, then it would be the Prospect. Everything begins with the customer’s need. You have to figure out what they want (if they don’t know it is perfectly acceptable to tell them) and then give it to them.

“If someone were to put me in a headlock and force me to add a 5th P, then it would be the Prospect.”

There are many differences between B2C and B2B customers, but basically instead of a mom in the aisle of a supermarket, in B2B marketing and sales you are not dealing with an individual, but with a business, and the buying decision is actually stewarded by multiple people at differing levels inside of the organization over long periods of time – sometimes years.

But The 4 Ps had a lot to offer, especially a simple way to contain complexity. So what do you do if you are top management of a B2B services company looking for a better understanding of what to control, in order to guide the development of a marketing strategy you can feel good about? Good news: You can follow The True 4 Ps of B2B Marketing. They are:

1. **Prospect** – The customer’s need that is creating opportunity.
2. **Promise** – The factual/intimacy argument for why you are superior.
3. **Product** – The rubber meets the road. Delivering what was promised.
4. **Position** – The sum total advantage that is created over your competition by doing the above 3 things with excellence.

And yes, if you want to throw process in there, then go right ahead! What is excellence anyway without continuous improvement and efficiencies?

Basically, as a service company there is a need out there in the market for the offering you have. You must align your offering with that need to be in the game. But once you are in the game, relevance is what is going to win it for you. Achieving relevance over all comers in your customer’s eyes is going to come down to how well you have understood their need in the first place. So start here. Because if you don’t do a good job of understanding the customer’s need you quickly will fall down on your face when you try and make a unique promise that clearly demonstrates how you can service that need better than alternatives.

Once you are done saying precisely why you are better (in a credible fashion, thank you very much), then you have to get on with actually being better. Product comes down to having operational control over your every aspect of the delivery of your offering. If you don’t have it, then get it. These are some of the best spent marketing dollars for those looking to redirect trade journal branding budgets. Because your prospect, promise, and product are what defend your position. Any strategist worth their salt knows position is everything. But a position is strong or weak based on what has been done already in the areas that actually prop up and support the position. Ergo, a weak coordination of the prospect, promise, and product sums up to a position outside of the customer’s heart.

Michelangelo Celli is President of The Cornucopia Group, where he works exclusively with CEOs of privately-held B2B companies that sell expensive products or services and whose sales depend on strong customer relationships to allow them to systematically develop more predictable outcomes from their marketing and sales efforts.

To find out more, visit The Cornucopia Group website at www.cornucopiagroup.com or email Mr. Celli at mcelli@cornucopiagroup.com