5 P’s of Marketing

- Product
- People
- Price
- Place
- Promotion

Anytime one of these “P’s” changes, it should trigger a review of all the other “P’s”
Product

A bundle of attributes (features, functions, benefits, uses) capable of exchange and/or use

Products exist to satisfy an individual or an organizational objective

Know your audience and be able to communicate your “product” effectively

Satisfying Needs

• Usage: the physical use of a product

• Service: an intangible benefit (can be measured but not easily)
  – The brand experience

• Some Examples of Each
Product Features

- Color
- Size
- Raw materials
- Style
- Purpose
- Value
- Nutritional Claims
- 3rd Party Accreditation

- Reputation
- Social Value
- Life cycle
- Classification
- Origin
- Quantity
- Image
Place

- Where your product is sold
- What type of buyers do you have the capacity to serve?
- What type of buyers demand your product

Place - Distribution Strategy
Price

• A variety of strategies can be used to set prices, “Are you a price maker or price taker?”

• A balance of internal costs and customers willingness-to-pay
Pricing Strategies

1. Competitive Pricing: What are others charging?
   a. Relative Pricing/Signaling: Setting above or below similar products.

2. Cost Oriented: Know your costs

3. Penetration Pricing vs. Skimming
   a. Low prices break into a competitive market: Penetration
   b. Charge a lot when you are first in: Skimming

4. Examples Today: Catamount Farm
Pricing Strategies

Part 2 of market workshop: Adapted from Mary Peabody, UVM Extension

The Marketing Research

- Market region - Where
- Customer profile - Who
  - Demographics
  - Psychographics
  - Geographics
- Product description - What
The Marketing Research

- Competition analysis
- Promotion plan
- Product placement & distribution
- Pricing strategy

Define Customer Need

Check on satisfaction level

Id how to meet that need

Marketing Cycle

Deliver Product

Communicate (promotion)

Find your unique selling position(s)
Creating Your Customer Profile

- Demographics
  - Age, gender, income
- Psychographics
  - Lifestyle based, values
- Geographic
  - What is your market area
- Usage
  - How much does the customer buy? How often?
- Benefit
  - Healthy? Green? Luxury? Beauty?

Market Research & Planning

- Secondary research
  - Census information
  - Consumption trends
- Primary research
  - Survey’s
  - Product sampling
  - Observation
Finding Secondary Research

• Associations and trade organizations
• Popular media (for coming trends)

America’s eating patterns & trends…

• Meat consumption continues to increase
  • Approx 200 lbs/year
  • 57 lbs/year more than in 1950’s
  • Poultry is the fastest growing segment
  • Shopping for leaner cuts

• Dairy consumption is changing
  • Drinking less whole milk (92% of all beverages in 1950’s to 36% in 2000)
  • Cheese consumption is increasing (7.7 lbs/person 1950’s to 30 lbs/person 2000 to 33.2 lbs/person 2008)

• Bonus: 2 significant dates for dairy demand?
Primary Research...

• Survey’s of potential customers
• Focus groups
• Tastings & Sampling