

MARKETING by Richard Ettenson, Eduardo Conrado, and Jonathan Knowles

Rethinking the 4 P's

It's time to retool the 4 P's of marketing for today's B2B reality. As a framework for fine-tuning the marketing mix, the P's—product, place, price, and promotion—have served consumer marketers well for half a century. But in the B2B world, they yield narrow, product-focused strategies that are increasingly at odds with the imperative to deliver solutions.

In a five-year study involving more than 500 managers and customers in multiple countries and across a wide range of B2B industries, we found that the 4 P's model undercuts B2B marketers in three important ways: It leads their marketing and sales teams to stress product technology and quality even though these are no longer differentiators but are simply the cost of entry. It underemphasizes the need to build a robust case for the superior value of their solutions. And it distracts them from leveraging their advantage as a trusted source of diagnostics, advice, and problem solving.

It's not that the 4 P's are irrelevant, just that they need to be reinterpreted to serve B2B marketers. As the chart at right shows, our model shifts the emphasis from products to solutions, place to access, price to value, and promotion to education—SAVE, for short.

Motorola Solutions, a pioneer of the new framework, used SAVE to guide the restructuring of its marketing organization and its go-to-market strategies in the government and enterprise sectors. Along the way the firm identified three requirements

for successfully making the shift from 4 P's thinking to SAVE.

First, management must encourage a solutions mind-set throughout the organization. Many B2B companies, particularly those with an engineering or a technology focus, find it difficult to move beyond thinking in terms of “technologically superior” products and services and take a customer-centric perspective instead.

Second, management needs to ensure that the design of the marketing organization reflects and reinforces the customer-centric focus. At Motorola Solutions, this led to the dramatic reorganization of the marketing function into complementary specialties, allowing focus on each element of the SAVE framework and alignment with the customer's purchase journey.

And third, management must create collaboration between the marketing and sales organizations and with the development and delivery teams. Motorola Solutions required that specialist teams concentrate on solutions and coordinate their approaches to specific customer needs. This ensured that functional boundaries did not determine the firm's solutions.

B2B marketers who continue to embrace the 4 P's model and mind-set risk getting locked into a repetitive and increasingly unproductive technological arms race. The SAVE framework is the centerpiece of a new solution-selling strategy—and B2B firms ignore it at their peril. ♥

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Instead of **PRODUCT**

Focus on SOLUTION
Define offerings by the needs they meet, not by their features, functions, or technological superiority.

Instead of **PLACE**


Focus on ACCESS
Develop an integrated cross-channel presence that considers customers' entire purchase journey instead of emphasizing individual purchase locations and channels.

Instead of **PRICE**

Focus on VALUE
Articulate the benefits relative to price, rather than stressing how price relates to production costs, profit margins, or competitors' prices.

Instead of **PROMOTION**

Focus on EDUCATION
Provide information relevant to customers' specific needs at each point in the purchase cycle, rather than relying on advertising, PR, and personal selling that covers the waterfront.

 **Richard Ettenson** is a professor at Thunderbird School of Global Management. **Eduardo Conrado** is a senior VP and the chief marketing officer at Motorola Solutions. **Jonathan Knowles** is the CEO of Type 2 Consulting.