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Undertaking  
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# Students training

## #02. The Porter's 4 "P"



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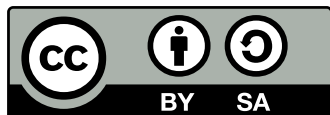
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# 1. Porter's 4 P

- Product (product + service)
- Price (balance between offer and price)
- Promotion (communication)
- Placement (market + channel)

## 2. Product: what do we do?

- Prior knowledge of the activity
- Identify business opportunity
- Define the product (and its associated services!)
- Target customers: needs and expectations
- Plan your differentiation
- Develop the business plan
- Assess feasibility

### 3. A product or a service?

- Orders (identify the specifications to meet)
- Customers' information (order status, tracking...)
- Delivery service
- Assembly / maintenance instructions
- Guarantee
- Technical service
- Claims, complaints, suggestions...

## 4. Price

Number of **monetary units** the consumers must pay for each unit of product that the company sells in the market, as a **counterpart to the value that the consumer perceives** when achieving a certain level of **satisfaction** with the company's offer

## 4. Price: how do we set it?

- Which is the cost per unit produced?
  - Materials
  - Manufacturing
  - Associated services
  - Personal
- Is there competition? How much are they charging?
  - Market price
- Is there little or no competition?
  - Differentiation
  - Emotional factors

Deadpoint



## 5. Promotion? Better, communication

- It does not come with being good, you must seem so
- The purchase decision is based on quality\*
- Quality is based on perception
- What the customer does not know, does not exist
- We need to know the opinion of the customers
- Two-way communication is key

\* **Important:** quality as a management concept

## 6. Customer focus

To do it successfully:

- Identify the target clientele and the ways to reach them
- Know their expectations (more than needs)
- Identify delivery channels
- Analyze feasibility
- Define positioning and offer
- Communicate it

## 6. Customer focus: needs vs expectations

### Need

- It is the minimum to achieve
- It does not satisfy, but...
- It can generate dissatisfaction

### Expectation

- It's not necessary
- It connect with the emotions
- It does satisfy

## 7. Placement: which is your difference

The place we want to occupy in the perception of real and potential customers:

- For what qualities do we want to be recognized?
- What value do we add?
- What does our competition do?
- How can we differentiate ourselves from the rest?
- Why would the potential customers prefer us?

## 7. Placement: how to work it

- Identify our competition
- Attributes of the product / service relevant to our customers' base
- Favorite attribute combinations (in the market)
- Determine our competitor positions
- Identify the ideal position for the market
- Select our own position (feasibility and profitability)

## 7. To do list



For the business ideas you have thought of, define the complete commercial offer, which includes:

- Products to be sold and associated services
- Who are each product's customers
- What customer's needs and expectations does each of them cover
- Price at which they could be sold



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