

Every single person absorbing this episode knows a whole lot about marketing, and I'm not kidding! But just why is that? Because the past couple of generations of people living in free market countries are on the receiving end of a relentless barrage of product and service offerings and experiences—amazing things are being delivered that were undreamed of just a few decades ago. We experience products and services of extreme design and delivery that would easily leave earlier generations in shock and awe.

So here's the challenge every leader of every organization faces nowadays: are the product or service offerings of my business or nonprofit actually going to stand the test of time—even if they're successful now? In other words, will those offerings be in strong demand five years from now? Hey, how about just *one year* from now? The truth is, it's often very enjoyable for us to be on the receiving end of radical marketing innovation—the consumer side—during the past several decades. But it's an entirely different thing on the seller side, always seemingly on the verge of being quickly swept aside without even a second thought. Just ask Blockbuster. Or Kodak. Or Blackberry.

That's the challenge: sure, it's loads of fun to be on the receiving end of major change, as innovators work like mad to please us, but it's not fun to be competing with those very same innovators on the selling side. To start addressing that, great stewards need to utilize a framework that can serve them as a foundation in thinking about and then in addressing whether their organization is vulnerable or is truly well-positioned, both now and in the future. Here's the good news: there's been a strong analytical framework that's been around for decades that can help successfully create and sustain a strong strategic position for virtually every enterprise. And that framework is called the *marketing mix*.

So, just what is the marketing mix? Well, marketing mix was initially called the "4 Ps of Marketing." Those "4 Ps" stood for *product, price, place, and promotion*. That's right: product, price, place, and promotion. Now some folks have tried to adjust that formula, for example, by adding another factor or two to the list. Or changing it by replacing the word "place" with the word "distribution." But frankly, I think the reality of *place* still serves us better than distribution. And I think those four words—product, price, place, and promotion—work together very well in multiple situations, thank you!

Not only that, I think the label *marketing mix* is just right, too. Why? Because every enterprise must at least understand and deal with all four items thoughtfully and strategically in order to sustain a marketing advantage over their competitors. So let's talk a brief look at each of the four, and let's start with...

Product. And to do that, let's start with the early years of the movie industry! Decades ago, Americans went to see a movie on, say, a Saturday afternoon for a matinee showing. The service being offered there started by moving beyond still photographs to images that were actually moving—this invention was labeled "the movies" for a reason! But that core offering came along with several other services thrown in, like an appropriately-darkened theater accentuating those newfangled moving images, and then came movies with actors actually talking on the screen—these movies were labeled "talkies." All the while, the moviegoer would get to sit in a comfortable theater seat. But some service dimensions of the movie experience were pretty intangible, like "escaping" to a different world for a couple of hours and perhaps acquiring bragging rights for seeing a particular movie before your friends did. Wow, what a high-impact experience in a low-tech world! But...that really was only a service lasting a couple of hours, right? And it could be a relatively expensive one at that. Those theater owners expected to cover several key costs—their own rights purchased in order to show the movie, their projectionists and ushers, the building's rent and cleaning crew...well, you name it, a lot of dimensions have always gone into the showing of a movie in a theater. And of course, we have already bled into the second part of the marketing mix, which is—

Price. In the movie industry's early years, its fate was totally dependent on showings in physical theaters, of course. And that physical delivery infrastructure was costly. But trouble seemed to loom! Enter that amazing invention—television—which came to be perceived as a threat to the very existence of the movie

industry. And price was a major reason why: people could now be entertained at an unbeatable price—free! All they had to do was view the advertising messages from company sponsors embedded in the TV programming. In short, the theaters were losing paying customers to free TV. The moviemaking moguls responded with three important *innovations*—the colorizing of films, the increasing of the size of the movie screens, and the adding of stereophonic sound! All this was a classic, competitive migration of these two elements of the marketing mix: product and price! The higher-priced product? Well, willing customers could pay a higher price for movies in color and with stereo sound on big screens. Or, consumers could watch for free, if they settled for black-and-white entertainment with a bit of a tinny sound coming from a box with a small screen. Alongside this, the third piece of the marketing mix was in play, which was....

Place. That's right, the consumer's choice was way beyond just product and price! Did Americans want their entertainment to be an enticing escape to a rather-escapist movie theater, a highly anticipated time on Saturday afternoon, as it was so often back during the Great Depression? Or did Americans want to stay right in their comfortable easy chair in their homes and watch Jackie Gleason and the Honeymooners? So, what was the *place* to be: a cherished event in a special auditorium or a very convenient diversion at home? Turns out, *both* TV and movies thrived for decades—but each with a different marketing mix emphasis of three of the key elements: product, price, and place! And that's exactly how free markets and innovation consistently bring widespread betterment: different people get their different wants met!

'Course, those elements of the marketing mix morphed quite a bit more. Enter Blockbuster video stores, where a movie buff could rent a movie for a few days, shedding the strict, fixed theater and TV schedules that limited both the *what* and the *when* of customers viewing entertainment. Watching a video when wanted was made possible by innovation of a video player. But wait, the marketing mix changed even more: along came Netflix and Hulu and Disney+ and a whole host of amazing options and variety...indeed, an extremely flexible mix of competitive products, prices, and places to consume! All of this was further enabled by the innovations of iPhones and laptops and tablets. And, nowadays—boy oh boy—we are all swamped with the fourth element of the marketing mix, which is...

Promotion. That's right, the promotion of product, price, and place of movies and entertainment literally floods our lives. First, *places!* Yes, numerous *digital* "places" like Netflix and Hulu are promoted to be accessed on numerous *physical* "places" like iPhones and tablets, and this being consumed in countless human-friendly places like our homes, offices, cars, trains, and airplanes. Then, there's *prices!* Yes, a wide range of prices is promoted, ranging from purchasing permanent ownership of a movie...to a one-time rental...to free access for as long as your subscription runs! Or maybe it's free via an old-fashioned antenna grabbing local UHF TV channels! And, of course, then we have the *products!* ...And the products in the current era extend as far as we can possibly imagine, from a single truly remarkable movie to the extensive Marvel franchise to many seasons of TV series like *Law and Order*. And that's not to count all the other durable spinoffs over the decades: reality shows, sports events—yes, indeed, entire seasons of hundreds of games in specific sports like baseball...well, the entertainment list never ends. At the time of this episode, the videos available on YouTube alone would take one person over 94,000 years to watch!

And here's what's really crazy! Movies and videos are just one story in the kaleidoscope of the countless marketing mixes in play, from food to clothing to business equipment to whatever! The secret is this: no one enterprise can control its marketing niche—that enterprise must continually compete to be trusted as the steward of choice for the consumer today, next week, next year...yes, next decade and beyond.

The big picture is that this proliferation of options that a free market precipitates is what brings widespread betterment for all. But to thrive in their specific stewardship, leaders must be excellent at their enterprise's marketing mix—product, price, place, and promotion. Be assured, your competitors are working to exploit key weaknesses in your marketing mix. So, is your enterprise going to be the one they have to continue chasing or the enterprise they're defeating? Remember, with the risk comes the reward!

A&A: Application & Action

1. Regarding your workplace enterprise, which of the four elements (product, price, place, promotion) is its greatest strength at the current time? Elaborate.

2. Regarding your workplace enterprise, which of the four elements (product, price, place, promotion) is its greatest weakness at the current time? Elaborate.

3. Take a look at the industry or sector your workplace occupies. Can you helpfully tell a meaningful version of the history of your industry or sector that gives real insight into the marketing mix migration of the past...and possibly the future? Be specific.