
WEEK 2, Session 2
Tuesday, March 17, 2022
6:00–9:30 PM

- Room 313 T.T. Allain Hall
- Zoom Meeting ID: 931 5740 9783
- Passcode: ROK

BEAP: BUSINESS PLAN DEVELOPMENT

6:30 pm

Welcome

Dr. Donald Andrews

Dean, College of Business,
Southern University A & M College

Dr. Derrick V. Warren

Associate Dean, College of Business
MBA Director

6:50 pm

Marketing and Strategic Communications (Part II)

Dr. Kimberly Powell-DeLoach

Interim Chair, Department of Marketing and Management,
College of Business

- Marketing Myopia: What it is and how to fix it
- Overview of Entrepreneurial Marketing
- Components of a Marketing Strategy for Entrepreneurs (7 Ps)
- Market Research & Analysis: Resources & Approaches for Calculating the Total Available Market

8:00pm

Break

8:10 pm

Marketing and Strategic Communications (Cont'd)

Dr. Kimberly Powell-DeLoach

Interim Chair, Department of Marketing and Management,
College of Business

- Segmentation, Targeting, & Positioning (STP)
 - (1) Target Market Approaches
 - (2) Segmenting and its Impact on Your Marketing Mix Decisions
 - (3) Value Proposition
- Customer Research: Primary - Focus Groups, Surveys, and Interviews

9:00 pm

Session Q&As

Dr. Donald Andrews, Dean

Dr. Sung No - Co-director, SUEDA UC

THE MARKETING MOVEMENT

BEAP: BUSINESS PLAN DEVELOPMENT

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#PowellExperience

#MarketingMovement

AGENDA FOR THE MARKETING MOVEMENT

- I. Marketing Myopia: What it is and how to fix it
- II. Overview of Entrepreneurial Marketing
- III. Components of a Marketing Strategy for Entrepreneurs (7 Ps)
- IV. Market Research & Analysis: Resources & Approaches for Calculating The Total Available Market
- V. Segmentation (includes variables), Targeting, & Positioning (STP)
 - I. Target Market Approaches
 - II. Segmenting and its Impact on Your Marketing Mix Decisions
 - III. Value Proposition
- VI. Customer Research: Primary – Focus Groups, Surveys, and Interviews

LEARNING OBJECTIVES FOR THE MARKETING MOVEMENT

Participants will leave this course with the ability to complete the following:

- I. Develop a draft target market description for your business and plan.
- II. Develop a draft promotion strategy for your business and plan.
- III. Develop a draft pricing strategy for your business and plan.
- IV. Develop or refine your value proposition.
- V. Apply STP and market research to identify optimal target market(s) and strategies.

****Note:** Resources will be provided to assist with the achievement of the aforementioned learning objectives.

THE BUSINESS PLAN REFERENCED IN THIS SESSION

The business plan that will be referenced throughout this session is the U.S. Small Business Administration (SBA) Business Plan:

<https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan>



U.S. Small Business
Administration



**DO YOU PRACTICE MARKETING MYOPIA? A NARROW
FOCUS ON SELLING PRODUCTS AND SERVICES, RATHER
THAN SEEING THE “BIG PICTURE” OF WHAT CONSUMERS
REALLY WANT.**

DETRIMENTAL TO YOUR PLAN AND TO YOUR BUSINESS AS A WHOLE.

REMEMBER KODAK? REMEMBER BLOCKBUSTER?

HOW TO FIX MARKETING MYOPIA

Who does not practice Marketing Myopia – Ms. Andrews.
She does not just sell insurance. *With her “love insurance”, Ms. Andrews provides security and peace of mind in an uncertain world for both you and the ones you care about. #loveinsurance #thelovemovement*

Myopic Description	Non-Myopic Description
We make cars	We make the Ultimate Driving Machine

Note: Everyone out here is selling something. But what type of experience does your product or service provide for the target market? How will it make them feel? How is it different from the competition?

WHAT IS ENTREPRENEURIAL MARKETING?

Entrepreneurial Marketing

Few to no resources; founder drives efforts (sweat equity)

Must be ingenious, energetic, and persistent to develop story and brand; leads to trust

Satisfaction and awareness goals

Capture first customers; develop a client base and long-term relationships

Develop new products, price points, channels (placement), communication, process, training, and design

Trial and error; market pilots

Communication with customers is more fluid and spontaneous; two-way relationships

- Entrepreneurial marketing is not about just promotion.
- Entrepreneurial marketing (EM) is a set of unconventional practices that can help start-ups and younger firms emerge and have an edge in competitive markets.
- EM tends to focus on satisfying the customer and building trust by providing innovative products and services that disrupt or appeal to a specific market.
- It is embedded in multiple sections of the SBA plan (e.g., company description, market analysis, service or product line, market research, etc.).



FROM THE SBA BUSINESS PLAN:
**“THERE'S NO SINGLE WAY TO APPROACH A
MARKETING STRATEGY.”**

A **MARKETING STRATEGY** DESCRIBES HOW A COMPANY WILL REACH CONSUMERS AND CONVERT THEM INTO PAYING CUSTOMERS. HAVING A SOLID-YET-FLEXIBLE MARKETING STRATEGY IS A GOOD BUSINESS PRACTICE, NO MATTER WHAT KIND OF BUSINESS YOU ARE IN.

LET'S LOOK AT MARKETING STRATEGY

REMEMBER: MARKETING IS ALL
THROUGH THE BUSINESS PLAN



DOES YOUR MARKETING STRATEGY LOOK SOMETHING LIKE THIS?



Target Market: A specific group of consumers for which a company seeks to provide a good or service. The target market directly impacts the marketing strategy.

Sample Target Market Description from Sample SBA Plan

The two groups that the company plans to market to are parents (age 18-30) of young children and grandparents (age 60-75) of young children with an income range of \$35,000 - \$80,000 a year. Our target customers are interested in giving durable, well-made toys to their children and grandchildren to help foster creativity. They value quality and they research the products they buy. Our target customers are willing to spend more money on products that are of higher quality and last longer.

Additional Ps for Services

As you have learned, products include services as well. These include legal, accounting, consulting, medical, entertainment, advertising, banking, and other professional services. When providing services, three additional Ps should be considered in the marketing mix.

COMPONENTS OF AN ENTREPRENEUR'S MARKETING STRATEGY

Marketing Mix Variables	What is It?	Notes
Product	Refers to a good or service that creates value by fulfilling a customer need or desire.	Value, value, value; Companies can bundle both goods and services to create extra value for their customers
Promotion	It is the process of communicating value to customers in a way that encourages them to purchase the good or service. <i>Even if a product is the best in its class, a company must communicate this value to customers, or it will fail.</i>	Value, value, value; Some typical forms of promotion are advertising, social media, public relations, direct mail, sales promotion, and personal selling (p. 302-305)

Let's look more at promotion.....

SAMPLE PROMOTION STRATEGY FROM A SAMPLE SBA BUSINESS PLAN – ANDREW’S TOY COMPANY

Communicate with the Customer

Wooden Grain Toys will communicate with its customers by:

- Providing an email newsletter with company news, product information, and craft fair schedule.
- Using targeted Google and Facebook advertisements.
- Utilizing social media such as Twitter, YouTube, Facebook, LinkedIn, Pinterest and Tumblr.
- Providing contact information on the company website.
- Adding labels on toys that include company name, contact info, and web address.

How to Sell

Currently, the only person in charge of sales for Wooden Grain Toys is the owner, Andrew Robertson. As profits increase, Wooden Grain Toys will look to add an employee to assist with social media and online marketing. The target demographic for the company will be parents of children aged 3-10. The company will increase awareness to our targeted customers through online advertising and attending craft fairs.



****Bonus Time: Digital Marketing Resources for Promotion****

HubSpot Academy – Free Marketing Certifications & Courses for Entrepreneurs

<https://academy.hubspot.com/certification-overview>

Google Online Marketing Fundamentals for Entrepreneurs

<https://learndigital.withgoogle.com/digitalgarage/course/digital-marketing>

COMPONENTS OF AN ENTREPRENEUR'S MARKETING STRATEGY

Marketing Mix Variables	What is It?	Notes
Price	Price is the value that must be exchanged for a customer to receive a product or service.	This is usually monetary and has a direct impact on sales.

Let's look at some pricing strategies.....

PRICING STRATEGIES

Cost-led pricing is the easiest way to price a product. This involves taking the cost of making the product and creating a **profit margin**, which is how much profit your business stands to make after costs have been deducted. For example, if you add the direct costs for materials and labor to the indirect costs of salaries, marketing, rent, and utilities, you determine that your product costs \$5 to make. Adding, say, a 30 percent profit margin would give you a sales price of \$6.50. The percentage added depends on the business's goals. This type of pricing is helpful when start-ups do not have much information about their target market and need more time to define their value proposition and business identity.

The **odd numbers strategy** is a psychological pricing strategy often used in conjunction with other pricing methods to make a product's price point more attractive to consumers. Using odd numbers takes advantage of the idea that such numbers have a positive psychological effect on customers. For example, instead of pricing something at \$20, the price would be set at \$19.99, which consumers perceive as closer to 19 than 20.

PRICING STRATEGIES

Another way to price a product or service is to consider what the competition is charging and determine whether to go above, below, or match their prices. If going above, or using **premium pricing** (also called perceived value pricing), you need a clear reason why customers would want to spend more on your product. While using **penetration pricing**, or pricing below competitors, can give you a competitive advantage, it may also lead to “price wars” in which competitors keep dropping prices in an attempt to beat each other. Obviously, the disadvantage is diminished profits for all. While pricing the same as your competitors seems like a logical choice, if your product offers no added value, this strategy is unlikely to entice customers to switch to your brand.

Customer-led pricing is just as described: pricing led by the customer. You ask what the consumer is willing to pay and charge that. You can find this by doing research and asking customers what they would be willing to pay for a product. Many technology products are priced that way. Companies survey customers about what they are willing to pay, and they create products that deliver the value at the market price.

PRICING STRATEGIES

Introductory offers use lower initial prices to attract new customers and build a customer base before prices return to “normal.” This method is a form of penetration pricing, as its goal is to help new products penetrate markets with established competitors and brands. Many subscription-based products such as gyms are introduced this way to gain market share and revenue.

In contrast, **skimming** is a pricing strategy that leverages the newness of a product to justify the highest price possible in order to “skim” the most profits off the top, meaning in the first phase of sales. As time passes, the price is lowered to accommodate for more price-sensitive customers. Apple often introduces its products with this particular method, charging the highest price for them until it has exhausted the market willing to buy at that price and when newer and more technologically advanced products are introduced. Then, Apple slowly lowers its pricing.

PRICING STRATEGIES

In **bundling**, a discount price is set for a bundle of products to encourage customers to buy in bulk. While they pay more than if they were buying just one good or service, they do so because the overall price for a bundle reduces the individual price of that product, giving them a better deal than if they were to purchase items separately. An example of this strategy is used by DirectTV, which bundles its phone, Internet, and satellite services for a monthly fee. If a customer were to purchase these services separately, they would be more expensive. The benefits of bundling include gaining more revenue per customer, as they would not have paid for some services separately, and making the order-taking task simpler. Take fast-food chains, for example. Instead of asking the customer to list everything separately from the menu, they give you the name or number of the bundle. They make more profit by including the drink and sides to the main entrée, and the customer saves money and time ordering.

WHAT IS YOUR PRICING STRATEGY?

- **Think about and write down your pricing strategy. Is it based on one of the pricing strategies we just reviewed?**
- **The finance and accounting sessions will also assist you with pricing.**

COMPONENTS OF AN ENTREPRENEUR'S MARKETING STRATEGY (*CONTINUED*)

Marketing Mix Variables	What is It?	Notes
Place (Distribution)	Refers to the channels or locations – physical or digital – where customers can purchase your products	For the entrepreneur, the choice lies in figuring out which channels will create the most profit: Which channels will reach the majority of the target market at an efficient cost.

As [Figure 8.4](#) shows, distribution channels fall into two main groups: direct and indirect. Direct channels, such as physical or online storefronts, require no intermediaries and allow you to sell directly to consumers. For example, if you own a bakery, you would likely have a retail storefront that sells directly to consumers.

Indirect channels require intermediaries such as distributors or sales agents to sell your products to the end customer or to other physical or online retail outlets. Indirect channels often have more than one intermediary. For example, to acquire more customers than you could reach on your own, your bakery would use indirect channels such as wholesalers or agents to get your products into local markets and grocery stores across the country. These companies would also help with logistics, which include transportation, warehousing, and handling of products.

COMPONENTS OF AN ENTREPRENEUR'S MARKETING STRATEGY (*CONTINUED*)

Marketing Mix Variables	What is It?	Notes
People	A company's human resources	In a service-oriented business, the people who interact with customers are especially important. Because the service is the product, they are the face of the brand and a direct link between the company and the customer.
Physical Environment	Where a service is provided	It can influence the company's image and convey a lot of information about the quality of a product, service, company, or brand. Tangible cues – décor, smell, music, temperature, colors – send an immediate message to customers about quality and professionalism.
Process	The chain of procedures or activities required to provide a service to the customer.	In the case of a doctor's office, this would include: making the appointments, filling out paperwork, waiting to be seen, seeing the doctor, and paying. Because processes can be long and involved, they need to be designed to flow as efficiently and logically as possible.

A close-up, black and white photograph of a pen drawing a line graph on a piece of paper. The graph shows a fluctuating line that generally trends upwards. The pen is a silver or light-colored ballpoint pen, and the paper has a grid of dotted lines. The number '2,47' is visible on the right side of the graph. The background is slightly blurred, focusing attention on the drawing process.

MARKET RESEARCH

NOW YOU KNOW THE
COMPONENTS OF THE MARKETING
MIX. BUT, AS AN ENTREPRENEUR,
BEFORE YOU CAN MAKE DECISIONS
ABOUT THEM, YOU NEED TO DO
SOME RESEARCH.



Market: a group of people with sufficient purchasing power, authority, and willingness to buy

Target Market: the segment of consumers most likely to purchase a particular item

Industry: A group of companies that are related based on their primary business activities.

MARKET RESEARCH

The main purpose of market research is to gain an understanding of customer needs and wants in an effort to reveal potential business opportunities (market opportunity).

It is about the product, not the entrepreneur's readiness.

Looking for gaps or unmet needs within a marketplace is one way to identify market opportunities for both goods and services.

This strengthens your plan.

DEFINE THE RESEARCH GOAL



- YOU SHOULD START BY DEFINING THE GOAL OF YOUR RESEARCH PROJECT.
 - You should start by defining the goal of your research project. What are you trying to find out? Do you want to know more about your target market, their preferences, lifestyle choices, and culture, or do you want to know more about your competitors and why your target market buys from them? What are your criteria for validation of the research goal or goals?
 - The more time you take to clarify your research questions, the more likely you will be to achieve your research goals.
 - A focus group can help you decide what kind of research questions to ask.

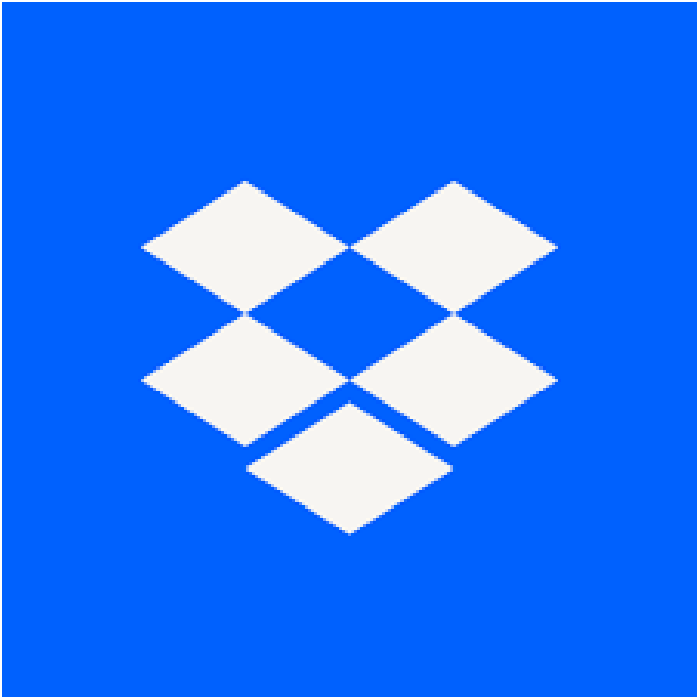
Databases for Secondary Research

Database	Information	URL Address
Census Bureau	Economic, demographic, geographic, and social data	https://www.census.gov/
Fact Finder	Economic, population, and geographic data	https://factfinder.census.gov/
American Community Survey	Updated census data	https://www.census.gov/programs-surveys/acs/
Pew Research Center	Fact tank that surveys trends, issues, attitudes, and demographics	http://www.pewresearch.org
Pew Hispanic Center	Surveys on Hispanic trends, demographics, and issues	http://www.pewhispanic.org/
Current Population Survey	Monthly survey of US households on labor data	http://www.bls.gov/cps/home.htm
Texas State Data Center	State demographic data	http://txsdc.utsa.edu/
IBISWorld	US industry trends	http://www.ibisworld.com
Mergent Online	US businesses data	http://www.mergentonline.com/
Demographics	US demographic and business data	http://www.demographicsnow.com/

MARKET RESEARCH RESOURCES

The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

MARKET ANALYSIS & VALIDATION



- Sometimes unmet needs are not covered immediately. One way to better understand a market's opportunities is to conduct a market analysis, which is an analysis of the overall interest in the product or service within the industry by its target market to determine its viability and profit potential.
- Validation (not to be confused with validity) is the act of verifying that a specific product is needed in a target market. This can be done by formal and informal interviews or surveys with potential customers to gather their feedback.
- Dropbox is an example of a company that conducted validation over and over until they created a product that could work with a mainstream audience.

CONSIDERATIONS FOR A STRONG MARKET ANALYSIS

In addition to identifying competition and determining growth and profit potential, a good market analysis will identify the **total available market (TAM)** for a specific product, which is the total perceived demand for a product or service within the marketplace. It will also identify the **serviceable available market (SAM)**, which is the portion of the market that your business can serve based on your products, services, and location ([Figure 8.6](#)).

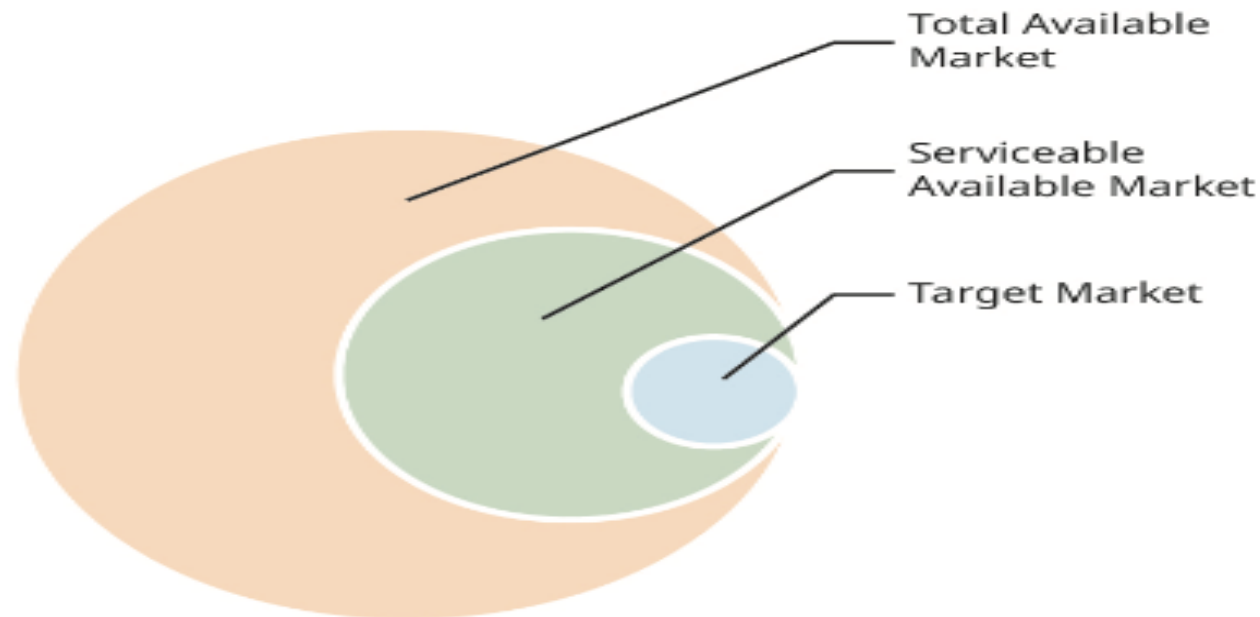


Figure 8.6 Entrepreneurs must focus on the target market within the TAM and the SAM and allocate resources to attract customers who can be satisfied by the value proposition. (attribution: Copyright Rice University, OpenStax, under CC BY 4.0 license)

APPROACH #1 FOR CALCULATING THE TOTAL AVAILABLE MARKET (TAM): TOP-DOWN APPROACH

To calculate this, let's go to our water bottle example. Let's say that you are trying to figure out what your target market is based on this concept. To calculate the TAM, you would look at the whole industry and determine the total number of customers available for water bottles or total revenue available. To find the number, you can look up the industry numbers for the category on databases such as IBISWorld, mentioned earlier, or any other data available through the World Bank or World Factbook to see the potential number of customers or revenue. This is called the top-down approach, as you are looking at macroeconomic factors to determine an industry's potential.

APPROACH II FOR CALCULATING THE TOTAL AVAILABLE MARKET (TAM): BOTTOM-UP APPROACH

Another way to calculate the TAM would be by using the bottom-up approach, which involves counting local market sizes and figuring out the competitors' number of customers. After collecting this information, then all the local markets would be added up and multiplied by the average amount they spend on the product per year. Since your company cannot service all markets, the next step is to figure out the SAM. You could estimate the number of customers you can service by splitting the market into those you can service given your product characteristics and geographic, demographic, and cultural factors, among others.

Finally, considering the constraints of the company and strength of the competition, you would determine your focused target market to avoid wasting valuable resources marketing to people who are generally not interested in buying your product.

SEGMENTATION, TARGETING, AND POSITIONING (STP)

As an entrepreneur, you want to segment the market and figure out if there are possible pockets of people that you can serve. Segmenting, targeting, and positioning (STP) will help you figure out who is your best customer and will allow you to allocate your resources so that you can more effectively serve that customer. Let's look at these processes now.

Segmenting means that you separate the total population by homogeneous groups of people that have similar tastes, backgrounds, lifestyles, demographics, and even culture. You may segment along lines such as age ranges, gender, ethnicity, line of work, earnings, or activities. There are many ways to separate these groups to choose the right one for your business.

The next step is **targeting**. You select a target based on their ability and willingness to buy. As stated earlier, a target market serves to specify which group of the total market you will serve and how you will position yourself to distinguish your company or product from your competitor.

Positioning (value proposition) is a statement of how you want the customer to perceive your company, good, or service. For example, ModCloth is an online indie retailer that sells vintage, or vintage-looking, trendy, fun clothing that appeals to the global consumer who wants to be stylish. Another example is Wag! which positions itself as the app that lets the pet owner look for a walker on demand. Kind of like the Uber for dogs who want a walk when their owners can't take them!

CLASSIFYING SEGMENTATION VARIABLES

Entrepreneurs have a number of options for segmenting markets to identify a target market. The four primary segmentation bases are **geographic**, **demographic**, **psychographic**, and **behavioral**. All four bases can be utilized in combination to create a more complete customer profile and enable entrepreneurs to effectively communicate their value proposition. We are familiar with geographic and demographic. Lets look at the other two.

Psychographic Segmentation	Behavioral
Differentiating population groups according to values and lifestyle factors which are common to the group. Consumer lifestyles include attitudes, values, social activities, media usage, interests, opinions, and more (AIO)	<ol style="list-style-type: none">1) <u>Benefits Sought</u>: Focuses on the attributes consumers seek and benefits they expect to receive from a good or service.2) <u>Usage Rates</u>: Segments can be classified based upon the amount of product purchased. Segments can be classified as heavy, moderate, and light user. (e.g., the amount of time a user spends on Instagram)3) <u>Brand Loyalty</u>: Segments can be classified according to the strength of brand loyalty a consumer feels toward a product. (e.g., frequent flyer programs). Can target brand loyal customers when launching new products.

SAMPLE TARGET MARKET DESCRIPTION FROM SAMPLE SBA PLAN

■ Andrew's Plan – Wooden Grain Toy Company

The two groups that the company plans to market to are parents (age 18-30) of young children and grandparents (age 60-75) of young children with an income range of \$35,000 - \$80,000 a year (**demographic**). Our target customers are interested in giving durable, well-made toys to their children and grandchildren to help foster creativity (**behavioral – benefits sought**). They value quality and they research the products they buy (**behavioral – benefits sought & psychographics**). Our target customers are willing to spend more money on products that are of higher quality and last longer (**behavioral – benefits sought**).

- **Note: Andrew is utilizing a combined target market approach – combining 2 or more submarkets into one larger target market as a basis for one strategy.**

3 BASIC TARGET MARKET APPROACHES

- **Single Target Market Approach** – segmenting the market and selecting one of the homogenous segments as your firm's target market.
- **Multiple Target Market Approach** – segmenting the market and choosing 2 or more segments, and then treating each as a separate target market needing a different marketing mix.
- **Combined Target Market Approach** – combining two or more submarkets into one larger target market as the basis for one strategy.

HOW YOU SEGMENT IMPACTS YOUR MARKETING MIX DECISIONS

Market segmentation forces an entrepreneur to decide which product-market dimensions might be useful for planning marketing strategies. The dimensions should help guide marketing mix planning.

Potential Target Market Dimensions	Effects on Strategy Decisions Areas (Marketing Mix)
1.) Behavioral needs, attitudes, and how present and potential goods and services fit into customers' consumption patterns	Affects <u>Product</u> (features, packaging, product line assortment, branding) and <u>Promotion</u> (what potential customers need and want to know about the firm's offering, and what appeals should be used).
2.) Urgency to get need satisfied and desire and willingness to seek information, compare, and shop.	Affects <u>Place (Distribution)</u> (how directly products are distributed from producer to customer, how extensively that are made available, and the level of service needed) and <u>Price</u> (how much potential customers are willing to pay).
3.) Geographic location and other demographic characteristics of potential customers.	Affects the size of <u>Target Markets</u> (economic potential), <u>Place</u> (where products should be made available), and <u>Promotion</u> (where to and to whom to target with advertising, publicity, sales promotion, and personal selling).

POSITIONING AND VALUE PROPOSITION

- The concept of positioning seeks to put a product in a certain position, or place, in the minds of prospective buyers.
- A positioning strategy can be used to distinguish the firm's offerings from those of competitors, and to develop communications (promotion) that create the desired position within the customer's mind.
- *To position a product, firms must clearly articulate their value proposition – an explanation of how consumers will benefit from the product and why the company is uniquely qualified to provide those benefits.*

Positioning Strategy	Description	Example
Value	Value represents what the customer receives in exchange for the costs of the product. Value positioning does not require the lowest price, but rather that customers believe the purchase was "worth it."	<ul style="list-style-type: none">• Nordstrom's offers top brands, specialized shopping services, and an upscale store ambiance, all at higher prices.• TJ Maxx promotes lesser-known brands in a self-service, no-frills store atmosphere, all at lower prices.
Product attributes	Specific product attributes or features are highlighted to create the desired perception of the brand or consistency with the buyer's self-concept.	<ul style="list-style-type: none">• Cutco emphasizes its lifetime guarantee, riveted construction, double-D blade design, and dishwasher safe attributes to market their premium knives, with an average price of \$100 each.
Competitive	Focus on product or company attribute, but specifically in relation to the competition.	<ul style="list-style-type: none">• Verizon commercials present direct comparisons of their data speed and coverage compared to AT&T Wireless and T-Mobile.
Product use or application	Specifically associate a product with a particular use or application.	<ul style="list-style-type: none">• Benadryl is positioned as an anti-allergy medicine, but Unisom—which typically utilizes the same primary ingredient as Benadryl—is positioned as a sleep aid.

VALUE PROPOSITION RESOURCE

- Value propositions are more than just a product description – it's the specific solution that your business provides and the promise of value that a customer can expect you to deliver.
- It is a unique identifier for your business. Without it, buyers won't even have a reason to purchase what you sell. They may even choose a competitor simply because the competition communicates its value proposition clearly in its marketing strategy and sales process.
- A value proposition is not a mission statement. Your value proposition details what you offer customers and why they should choose you, while a mission statement details your objective as an organization.
- It's important to create one that accurately represents your products and services and makes it clear why you're the best choice.
- **Resource for developing your value proposition:** <https://blog.hubspot.com/marketing/write-value-proposition>
 - This resource provides templates to help you brainstorm, write, and promote your value proposition.

LET'S GO BACK TO THIS SLIDE: MARKET ANALYSIS & VALIDATION



- Sometimes unmet needs are not covered immediately. One way to better understand a market's opportunities is to conduct a market analysis, which is an analysis of the overall interest in the product or service within the industry by its target market to determine its viability and profit potential.
- Validation (not to be confused with validity) is the act of verifying that a specific product is needed in a target market. This can be done by formal and informal interviews or surveys with potential customers to gather their feedback.
- Dropbox is an example of a company that conducted validation over and over until they created a product that could work with a mainstream audience.



HOW FOCUS GROUPS, INTERVIEWS, AND SURVEYS CAN HELP YOU WITH VALIDATION, DATA COLLECTION, AND DEVELOPING & IDENTIFYING YOUR TARGET MARKET PROFILE

FOCUS GROUPS



- Focus Group: A gathering of people typically 6-12 participants, who come together to discuss a topic presented by a moderator, who usually poses questions and collects qualitative data.
- Focus groups can help you to define the goal of your research (i.e., learning more about your target market – their preferences, lifestyle choices, their culture, and why they buy from your competitors).
- Sample questions for your focus group:
 - What comes to mind when you think about XYZ product?
 - What role/importance does XYZ product play in your life?
 - How does XYZ product make you feel?
 - If you started using XYZ product today, which brand would you purchase and why?

Conducting the Interview

Begin by briefly stating the purpose of your interview. Take notes throughout, and if you are intending to also audio record the interview, make sure you ask permission first. Remember to use your questions as a guide only—it's best to keep the tone conversational and relaxed, but directed. The golden rule of interviewing is to actively listen to the other person. Don't become so focused on your prepared questions that you neglect to pay attention to what the other person is telling you. Furthermore, when you reflect back or paraphrase what the other person has said, this shows that you are listening. However, do not interrupt, or try and second-guess the answers. If there is a pause in the conversation, don't feel obliged to rush in and try to fill the space—your interviewee may be thinking about something or planning what to say next.

Sample Interview Questions (Open-Ended):

Tell me a little bit about you: Age? Employment Status? What do you do for fun?
Who/what are sources of influence or advice on/ info about new products?
When it comes to XYZ products, what's most important to you? What do you care about?
Tell me about a product you tried recently but it failed.

SAMPLE INTERVIEW STRUCTURE

CUSTOMER RESEARCH STRATEGIES: INTERVIEWS

- After the interview
 - As soon as the interview finishes, take some time to grow through your notes then write down any additional observations or thoughts while the interaction is fresh in your mind.
 - Try to craft insights from your notes by looking for themes and patterns based on responses to questions, body language and tone of voice, and make note of any other questions or findings that have emerged.
 - Reflect on the interview by making sense of your own feelings, the knowledge you have gained, what questions you may have, and what you need to consider as a result.
 - Reflecting on the interview also gives you the opportunity to come up with new perspectives and conclusions.



SURVEYS AND SEGMENTATION

ACURA: PRECISION CRAFTED PERFORMANCE

ACURA SEDANS: *PRECISION CRAFTED PERFORMANCE* – TARGET MARKETS & SEGMENTATION

MY/Model	Description	Geographic	Demographic	Behavioral	Psychographics
2016 TLX 4-Cylinder	“Emergent” Luxury Sedan		35 Yrs. Old; Male; Married; HHI: around \$110K; Rising Professionals	Benefits Sought & Needs: Looking a combination of premium performance in a package with just the right proportions – magnetic presence, engaging driving character, & intuitive technology	Rising Professionals; Sports & Outdoors Enthusiasts; Value adventure and risk taking; Not afraid to think differently or stand apart from the crowd; Crave excitement, adventure and knowledge; fashion to food
2016 TLX V-6			38 Yrs. Old; Male; Married; HHI: around \$140K; Rising Professionals		

Market Position (Per Acura): the TLX competes in the crowded and competitive entry premium car segment, which is the highest volume segment in the luxury market and is expected to grow over the next few years.

ACURA CUVS: PRECISION CRAFTED PERFORMANCE – TARGET MARKETS, SEGMENTATION, & POSITION

MY/Model	Description	Demographic	Behavioral	Psychographics
2016 RDX	Emergent Luxury CUV	Early 30s; Married; Empty Nesters; 0-1 Children; HHI: \$125K	Needs & Benefits Sought: Performance, “Right-sized” Comfort, and the utility that fits perfectly into their lifestyle	Spirited, Open-minded, tech-savvy individuals who are image- and fashion- conscious, and are looking for a vehicle that fits their lifestyle
2016 MDX	Mid- Premium CUV	30-45 Yr. Old Women; Married w/Children; HHI: \$175K		One busy individual who gives equal weight to her career, her home life, and her social life; Early Adopters; They like to discover new ideas, products, and events ahead of the crowd. They also feel important to have the latest technology;

Market Position (Per Acura): The MDX continues to be one of the sales leaders in the mid-premium CUV category in the U.S. The sales for this segment regularly top 300,000 units each year and are expected to grow in the near future. The best-selling Acura model for the past few years, the MDX accounts for roughly one third of all Acura vehicles sold.



Acura would like to understand your thoughts and feelings toward vehicles and driving. We use feedback such as this as input in the development and refinement of our products and services for our customers.

The survey should take only about 5 to 7 minutes to complete.

Please click the **"Take Survey Now"** button below to begin.

Thank you for your help!

TAKE SURVEY NOW

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Please do not reply to this email.

Acura, 1919 Torrance Blvd., Torrance, CA 90501

ACURA SURVEY QUESTION

■ Competition Question

What makes would you seriously consider for your next new vehicle purchase or lease?

- | | | |
|---------------------------------------|--|--|
| <input type="checkbox"/> Acura | <input type="checkbox"/> Hyundai | <input type="checkbox"/> Mini |
| <input type="checkbox"/> Aston Martin | <input type="checkbox"/> Infiniti | <input type="checkbox"/> Mitsubishi |
| <input type="checkbox"/> Audi | <input type="checkbox"/> Jaguar | <input type="checkbox"/> Nissan |
| <input type="checkbox"/> BMW | <input type="checkbox"/> Jeep | <input type="checkbox"/> Porsche |
| <input type="checkbox"/> Buick | <input type="checkbox"/> Kia | <input type="checkbox"/> Subaru |
| <input type="checkbox"/> Cadillac | <input type="checkbox"/> Lamborghini | <input type="checkbox"/> Tesla |
| <input type="checkbox"/> Chevrolet | <input type="checkbox"/> Land Rover | <input type="checkbox"/> Toyota |
| <input type="checkbox"/> Chrysler | <input type="checkbox"/> Lexus | <input type="checkbox"/> Volkswagen |
| <input type="checkbox"/> Dodge | <input type="checkbox"/> Lincoln | <input type="checkbox"/> Volvo |
| <input type="checkbox"/> Ferrari | <input type="checkbox"/> Maserati | <input type="checkbox"/> Other |
| <input type="checkbox"/> Ford | <input type="checkbox"/> Mazda | <input type="checkbox"/> I don't Know |
| <input type="checkbox"/> GMC | <input type="checkbox"/> McLaren | <input type="checkbox"/> None of the above |
| <input type="checkbox"/> Honda | <input type="checkbox"/> Mercedes-Benz | |

Next

29%

ACURA SURVEY QUESTION

■ Competition Question

And of those brands you would consider, which one would be your first choice, if you had to choose today?

☐ Acura

☐ BMW

☐ Mercedes-Benz

Next

36%

You said if you had to choose today you would buy/lease a luxury vehicle, namely, a/an Acura. In what price ranges do you expect to be shopping for this new luxury vehicle?

- ☐ Less than \$30,000
- ☐ \$30,000 – \$34,999
- ☐ \$35,000 – \$39,999
- ☐ \$40,000 – \$49,999
- ☐ \$50,000 – \$59,999
- ☐ \$60,000 – \$79,999
- ☐ \$80,000 – \$99,999
- ☐ \$100,000 – \$129,999
- ☐ \$130,000 – \$199,999
- ☐ \$200,000 or more

Next

43%

Customer-led pricing is just as described: pricing led by the customer. You ask what the consumer is willing to pay and charge that. You can find this by doing research and asking customers what they would be willing to pay for a product. Many technology products are priced that way. Companies survey customers about what they are willing to pay, and they create products that deliver the value at the market price.

We would like to understand your thoughts and feelings toward vehicles and driving. Below are some statements people have used to describe themselves, their attitudes about driving, vehicles in general, and shopping for their next new vehicle.

Using the 5-point scale shown below, how much do you agree or disagree with the following statements?

	Completely Agree	Somewhat Agree	Neither Agree Nor Disagree	Somewhat Disagree	Completely Disagree
I want a vehicle that says a lot about my success	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will get a thrill out of negotiating for the best price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I want a vehicle that helps me achieve my career goals and improve my business prospects	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will likely buy extra manufacturer accessories for my vehicle	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I'm more about enjoying the journey along the way than feeling the dynamics of the vehicle	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cars are a key part of my identity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I like testing the performance limits of my vehicle	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Next

We would like to understand your thoughts and feelings toward vehicles and driving. Below are some statements people have used to describe themselves, their attitudes about driving, vehicles in general, and shopping for their next new vehicle.

Using the 5-point scale shown below, how much do you agree or disagree with the following statements?

	Completely Agree	Somewhat Agree	Neither Agree Nor Disagree	Somewhat Disagree	Completely Disagree
I would not drive anything but a luxury vehicle	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I love the process of mastering something – it excites me and gives me a deep sense of satisfaction and fulfillment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I love driving	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am up to date on all the latest automotive trends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will likely buy/lease a limited edition vehicle (i.e., only a limited number made)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is important to me that my vehicle stands out from the crowd	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am impulsive when it comes to buying/leasing a vehicle – if I like it, I will get it	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I want a vehicle that helps me create and find adventure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Next

64%

DEMOGRAPHIC QUESTIONS

What is your exact age?

-- Please Select --

Next

79%

Which of the following groups includes your total annual household income before taxes?

- ☐ Less than \$50,000
- ☐ \$50,000 - \$74,999
- ☐ \$75,000 - \$99,999
- ☐ \$100,000 - \$124,999
- ☐ \$125,000 - \$149,999
- ☐ \$150,000 - \$174,999
- ☐ \$175,000 - \$199,999
- ☐ \$200,000 - \$249,999
- ☐ \$250,000 - \$299,999
- ☐ \$300,000 - \$449,999
- ☐ \$450,000 but less than \$1 million
- ☐ \$1 million to less than \$10 million
- ☐ \$10 million or more

Submit

93%

BONUS: ENTREPRENEURIAL BRANDING RESOURCE

<https://blog.hubspot.com/marketing/branding>

The Ultimate Guide to Branding in 2021

Written by Allie Decker

Discover how to create and manage a brand that helps your business become known, loved, and preferred



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#PowellExperience



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STAY CONNECTED WITH ME

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