

First of all, **Congratulation** to you for taking the second step on the way to your entrepreneurship journey!!!! By now you already know what entrepreneurship is, how you can research and finance your business and so forth. In this module, you'll be introduced to marketing and how you can strategize and use the technologies to make your business go viral.

What actually is Marketing???

IT is everything a company does to obtain customers and maintain good relationship with them. Even the small tasks like writing thank-you letters, returning calls punctually and meeting with a past client for coffee can be thought of as marketing. The ultimate goal of marketing is to match a company's products and services to the people who need and want them, thereby ensuring profitability. Generally, Marketing are activities of a company associated with buying and selling a product or service that includes advertising, selling and delivering products to people.

What experts think Marketing is???

“The science and art of exploring, creating and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services” said **Dr. Phillip Kotler**. Another theory of marketing by **Mark Burgess** – Managing Partner, Blue Focus Marketing indicates that, “**Marketing** is the process by which a firm profitably translates customer needs into revenue.” **Saul Colt** – Head of Magic, Fresh Books, says “**Marketing** is creating irresistible experiences that connect with people personally and create the desire to share with others.”

Topic 1- The 4Ps of Marketing

What is 4P???

A model that shows the way you take your product or service to the market. It is also known as the “**marketing mix**” for a business where a business chooses and combines different ways to market their product or service.

The 4P include Product, Price, Promotion, Place and probably is the best way to market a product or service, specially for an entrepreneur.

The 4P model ● ●



Picture 1: The 4Ps of Marketing

Product can either be tangible, which have independent physical existence (needle, motor parts, garden wrenches etc.) or Intangible service (like in IT, banking industry etc.). Launching the right kind of product with appropriate number of variants is one of the critical decisions for an entrepreneur.

The process for creating a product:

- 1) Idea screening: Raw ideas are pitched and the winning product moves on to be developed.
- 2) Market assessment: An initial look at the market, this is how you develop your target audience by looking at the **Target Demographic**: A specific group of consumers that share the same interests and values.
- 3) Preliminary technical assessment: An assessment of the technical aspects and the difficulties of the project.
- 4) Detailed Market Strategy: An in depth look at the market. In this step you

- Analyze Competition: Take an in-depth look at your closest competitors and whether or not you have the ability to compete with them.
 - Brand testing: Questioning potential customers about how they feel about the product.
 - Demand testing: Using the results from current competition, and Brand testing, to estimate a demand.
 - Distribution Channel Audit: Analyze the channels you would use to distribute goods (ex: Online, company store, retailer, etc.)
- 5) Pre- Development Business/ Financial Analysis: Taking a look at the cost of producing the product, and compare it to the Revenue that the product would bring in. If there is a good potential to make money. Continue, if not, move back to 1).
 - 6) Product Development: The creation of a prototype for your product.
 - 7) Product testing: Testing the prototype in a small sample of people from your Target Demographic.
 - 8) Pre-Commercialization Business Analysis: Taking the data from your Product Test, and using it as a better predictor for consumer demand, and compare it to the Revenue that the product would bring in. If there is a good potential to make money.
 - 9) Release Finished Product.

Price of a product determines the offering which the customers are willing to give to buy that product. Once a concrete understanding of the product offering is established you can start making some pricing decisions. It can neither be too low that the seller incurs losses, nor be too high that the consumers cannot afford it.

The price of a product or a service depends on its demand, which is determined by **demand elasticity** (Quantity demanded responds strongly to changes in price. Such as- Petrol etc.)

Factors to consider when determining price • •

- Fixed and variable costs
- Competition
- Company objectives
- Proposed positioning strategies
- Target group and willingness to pay

Determining price elasticity of demand • •

A measure of how much the quantity demanded of a good respond to a change in the price of that good.

Formula:

$$\text{Price elasticity of demand} = \frac{\text{percentage change in quantity demanded}}{\text{Percentage change in price}}$$

For example, If the price of an ice cream cone increases from \$2.00 to \$2.20 and the amount you buy falls from 10 to 8 cones, then your elasticity of demand would be calculated as:

$$\begin{aligned} \text{price elasticity of demand} &= \frac{\text{Percentage change in quantity demanded}}{\text{percentage change in price}} \\ &= \frac{\frac{(10 - 8)}{10} \times 100}{\frac{(2.20 - 2.00)}{2.00} \times 100} \\ &= \frac{20\%}{10\%} = 2\% \end{aligned}$$

The price elasticity of demand for the ice cream would be 2%.

Place is usually known as the location of the market where the product/service is sold. Often you will hear marketers saying that marketing is about putting the right product, at the right price, at the right time. It's critical then, to evaluate what the ideal locations are to convert potential clients into actual clients. Today, even in situations where the actual transaction doesn't happen on the web, the initial place potential clients are engaged and converted is online. The markets should be convenient for the consumers to access. Distribution network for a product determines its availability in shops/outlets.

The building blocks of a sales design:

Direct to consumer: When a finished product is made by the seller, the seller sells their product directly to the consumer by way of retail store, online selling, sales calls, etc.

Retail: When a finished product is made by the seller and sold to consumers through another business. These businesses look to pay less than a consumer would, but buy in large quantities.

Wholesalers: A wholesaler is a business that acts as a retailer, except they buy in higher amounts, and they resell in large quantities usually to the retailers.

Manufacturers: When a seller has a design, but cannot efficiently produce the finished product, a business can be hired to manufacture the products for the sellers.

*Any of these can be combined in order to develop a plan for distributing your goods.

Promotion is the method of communication by which the marketer provides information about the product. Once you've got a product, price and a place now it's time to promote it. Promotion looks at the many ways marketing agencies disseminate relevant product information to consumers and differentiate a particular product or service. Promotion includes elements like:

Advertising: Publicly Displaying goods/services in a means to draw attention. This is done in a matter of ways, including:

Online Advertising: Advertising on the world wide web, this can be done in a number of ways:

- Popups
- Social Media Marketing
- Email Advertising
- Popups
- Banners

Print media: Physical advertisements printed in published printed literature.

- Magazines
- Journals
- News Papers

Posters: Two forms of advertising used for general physical circulation of brand awareness.

- Billboards
- Flyers

Commercials: Scripted and performed acts that advertise a certain product.

- TV
- Radio
- Online

Unconventional Marketing: Other forms of marketing that often fall outside of the convention of normal marketing.

- Guerilla Marketing
- Celebrity endorsement

Public Relations:

Public relations are an organizations way of communicating to its target demographic. The key goal of Public Relations is to portray a strong image, and make strong bonds with customers by projecting a singular voice through press releases, newsletters, setting standards for the company, selecting spokespeople, etc.

Practice test for you: Select your business product or service. Style the ideal marketing mix for your product/service and determine a price for it.

Topic 2- Marketing Strategies

Need some help to make strategies ???

Everyone knows the importance of a business plan, yet many entrepreneurs fail to realize that a marketing plan is just as vital. Unlike a business plan, it focuses on winning and keeping customers; it's strategic and includes numbers, facts and objectives and probably one of the most important thing for an entrepreneur. A good marketing plan spells out all the tools and tactics you'll use to achieve your sales goals. It's your ultimate plan of action—what you'll sell, who'll want to buy it and the tactics you'll use to generate leads that result in sales. And unless you're using your marketing plan to help you gain funding, it doesn't have to be lengthy or beautifully written.

What you can do –

Begin with a “Situation Analysis”, which includes defining your business and its products or services as well as how it sets you apart from other competition. Now a day, audiences have become extremely specialized and segmented. No matter your industry, positioning your product or service competitively requires an understanding of your niche market. Not only do you need to be able to describe what you market, but you must also have a clear understanding of what your competitors are offering and be able to show how your product or service provides a better value. Make your situation analysis a concise overview of your businesses strengths, weaknesses, opportunities and threats by doing a SWOT analysis of your business. Only in this case the opportunities and threats will include external environmental factors (political, technological, environmental, social, legal factors that can impact your business). **Next**, describe any external opportunities you can capitalize on, such as an

expanding market for your product. Don't forget to include any external threats to your company's ability to gain market share so that succeeding sections of your plan can detail the ways you'll overcome those threats. **Positioning** your product involves two steps. First, you need to analyze your product's features and decide how they distinguish your product from its competitors. Second, decide what type of buyer is most likely to purchase your product. What are you selling? Convenience? Quality? Discount pricing? You can't offer it all. Knowing what your customers want helps you decide what to offer.

Outline and describe your target audience, by developing a simple, one-paragraph profile of your prospective customer. You can describe prospects in terms of demographics (age, sex, family composition, earnings and geographic location—as well as lifestyle). Questions that you need to ask yourself here -- Are my customers conservative or innovative? Leaders or followers? Timid or aggressive? Traditional or modern? Introverted or extroverted? How often do they purchase what I offer? In what quantity?

List your marketing goals, by asking yourself- what do you want your marketing plan to achieve? For example, are you hoping for a 20 percent increase in sales of your product per quarter? Write down a short list of goals—and make them measurable so that you'll know when you've achieved them.

Develop the tactics and marketing communication strategies to accomplish your goals. A good marketing program targets prospects at all stages of your sales cycle. Some marketing tactics like - many forms of advertising, public relations and direct marketing, are great for reaching cold prospects. Warm prospects—those who've previously been exposed to your marketing message and perhaps even met you personally—will respond best to permission-based email, loyalty programs and customer appreciation events, among others. Your hottest prospects are individuals who've been exposed to your sales and marketing messages and are ready to close a sale. Generally, interpersonal sales contact (whether in person, by phone, or email) combined with marketing adds the final heat necessary to close sales. To **complete** your tactics section, sketch your primary marketing strategies, then include a variety of tactics you'll use to reach prospects at any point in your sales cycle. For example, you might combine outdoor billboards, print advertising and online local searches to reach cold prospects but use email to contact your warm prospects. To **identify** your ideal marketing mix, find out which media your target audience turns to for information on the type of product or service you sell. The marketing tactics you choose must reach your prospects when they'll be most receptive to your message.

Set your marketing budget, by dedicating a percentage of projected gross sales to your annual marketing budget. Of course, when starting a business, this may mean using newly acquired funding, borrowing or self-financing. Just remember marketing is absolutely essential to the success of your business. And with so many different kinds of tactics available for reaching out to every conceivable audience niche, there's a mix to fit even the tightest budget. As you begin to gather costs for the marketing tactics you outlined in the previous step, you may find you've exceeded your budget. Simply go back and alter it until you have a mix that's affordable. The key is to never stop marketing—don't concern yourself with the costlier tactics until you can afford them.

Practice test for you: Make a flawless strategy for your product.

Topic 3- Social Networking

So what is Social networking ???

Generally, it is the practice of expanding the number of one's business and/or social contacts by making connections through individuals, often through social media sites such as Facebook, Twitter, LinkedIn and Google+. But based on the **six degrees of separation** concept, "the idea that any two people on the planet could make contact through a chain of no more than five intermediaries is known as social networking." It establishes interconnected online communities that help people make contacts that would be good for them to know, but that they would be unlikely to have met otherwise.

And why it is important for entrepreneurs/businesses???

Social networking is a major trend that's been growing significantly in the past few years as well as it can be considered as the best alternative or one of the best way to market, promote your product to the world. There are countless reasons for why it is so important for an entrepreneur or business. Below are few motives -

- **Learn about your customers and connect with your audience:** The benefit of social media is that, getting to know the audience is now easier than ever. With analytics like **Facebook Insights** in Hootsuite, **Google analytics** one can understand the major demographics and patterns of customer behaviors. This not only allows to better target the audience but it also helps to understand the specific needs of your customer base.
- **Reach a new audience locally and globally:** Tools like **geo search** in Hootsuite or searching for certain **hashtags** can help you find what people are tweeting/poking/writing about in your neighborhood or what people are writing, tweeting about in general. For example, if you run

a dessert shop and search for hashtags about local desserts, you can see what people in your area are excited about. You could then use this as an opportunity to engage with them and let them know what items you offer.

- **Improve customer service:** Because social media functions best in real-time, it gives an instant access to feedback from the customers. This insight is invaluable, as it can help everything from new product growth to customer retention.
- **Gain market share:** On a less customer centric note, if used properly, social media can make it easier for potential customers to find you. **The Manhattan Group** stands by the idea that, “serious recruiting agencies with a strong social media presence are rapidly gaining market share. And those without, are missing out.”
- **Create meaningful relationships that generate leads and sales:** Investing more time in social media activities will lead to more engagement with clients and thus more sales and more leads/potential customers for your business. For example, With G Adventures, social media is woven into every part of their business. As a result, someone who might not be a sales lead right away, can often convert months later.
- **An affordable way to increase brand awareness:** The best part about social media is that it needs only an Internet connection and a computer, anyone can participate. Meaning that in terms of monetary investment, you can do a lot with just a little bit of budget. For small businesses getting started in marketing, social media is an easy and affordable option.
- **Establish your business as an industry expert and expand your professional network:** Along with building relationships with the customers, many businesses use social networking to connect with other people in their industry. According to **international Bid rescue** - “Our public communication is vital. We use social to update about our work, answer questions and, with any luck, inspire people to help wildlife in the process. Hootsuite has been an ideal way to connect with creative talent: artists, photographers and videographers whose passion for birds matches our own.” Besides that, you can also use social network to establish your business as an industry expert.

Practice test for you: Advertise your product/service by using your social networking group.

Lastly, we can say that marketing is a very crucial step for a business/an entrepreneur but it is very important to have a strategy to market your product when you have a limited budget as well as a brand-new business and social networking can play a very big role in the journey of promoting, creating and establishing a brand name and expanding your business.