

Chapter 4

Enterprise Marketing

Chapter Outlines

□ Marketing Definition

□ Marketing Plan

■ Target Market: segmentation

■ Marketing Strategy- Market Mix

- **Branding - Business Name, logo,**
- **Pricing Mechanism**
- **Promotion strategy**
- **Distribution Strategy**

What is Small Business Marketing?

□ Marketing:

- all the activities involved in the transfer of goods from the producer to the consumer

□ Small business marketing consists of those business activities that relate directly to:

- **Analyzing marketing opportunities**
- **Selecting target markets**
- **Developing the marketing mix**
- **Managing the marketing effort**

Market Segmentation

□ For a new venture, it's very essential to define clearly the specific group of potential customers whose needs the enterprise aims to fulfill.

□ **Segmentation Variables**

- Demographic
- Geographic
- Psychographic
- Behavioral

Marketing Strategy

Marketing strategy is defined by David Aaker as

□ "a process that can allow an organization to concentrate its resources on the optimal opportunities with the goals of increasing sales and achieving a sustainable competitive advantage."

□ Focus of Marketing Strategy

- **Identify new markets that you can successfully target**
- **Making sure that your products and services meet customers needs and developing long-term and profitable relationships with those customers.**
- **Communicate the benefits of your business offerings to your target market**

Marketing mix

Definition

According to W. J. Stanton, *"Marketing mix is the term used to describe the combination of the four inputs which constitute the core of a company's marketing system: the product, the price structure, the promotional activities, and the distribution system."*



Products/Service



- ❑ The product element of the marketing mix is essentially concerned with the customers' perceptions and expectations of the goods or services.
- ❑ Describe in detail your product or service
- ❑ Describe products or service features
- ❑ Explain the core benefits
- ❑ Clarify your point of difference
- ❑ Unique Selling Proposition (USP)

Variety
Quality
Design
Package
Brand

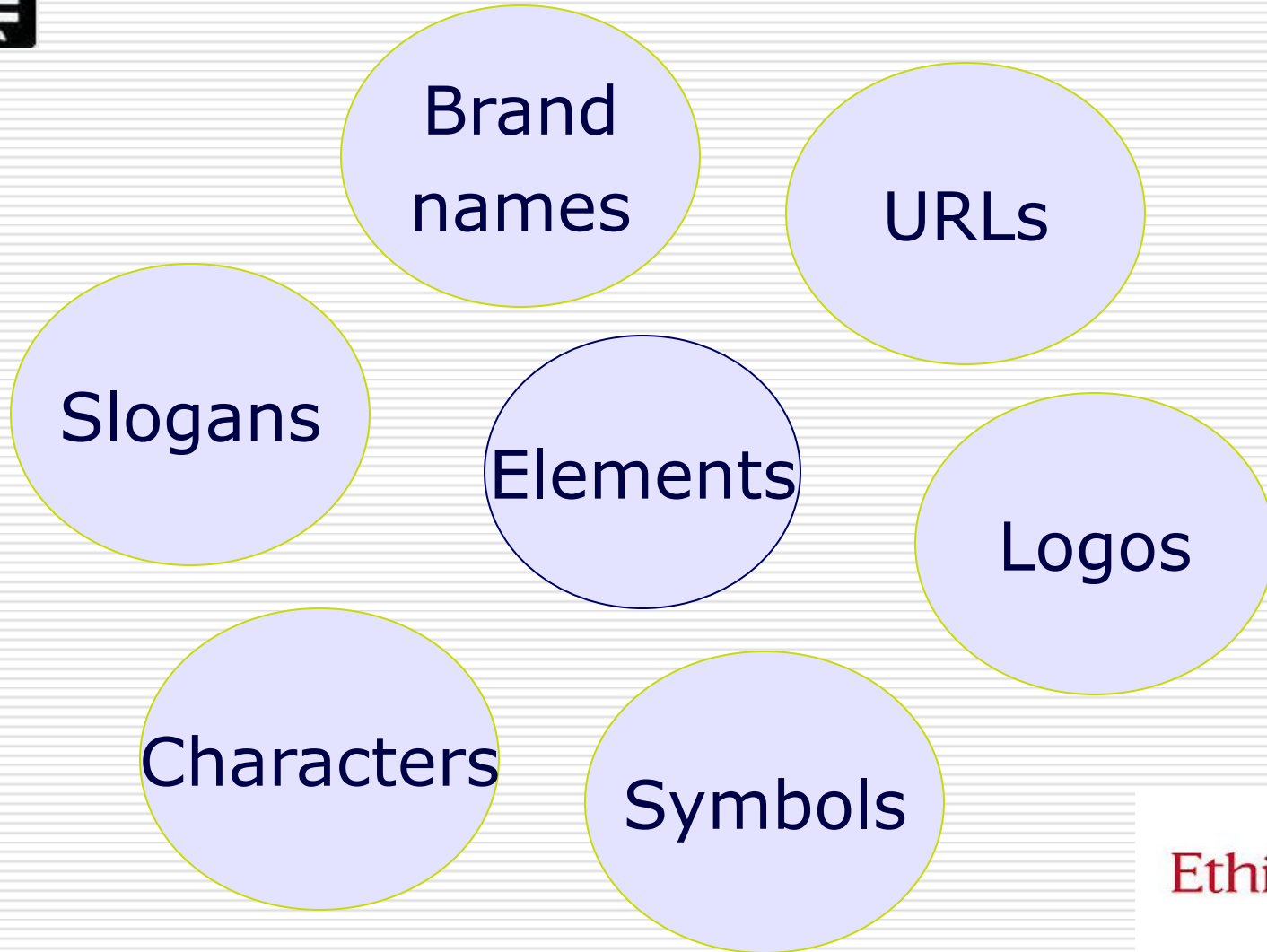


Brand

- ❑ A brand is a design, name, symbol, term or word that distinguishes and identifies a company and/or products or services
- ❑ A “sum total” of all of the experiences, impressions, and knowledge customers have about your product, service, or organization



Brand Elements



The Role of Brands



Identify the maker

Simplify product handling

Organize accounting

Offer legal protection

The Role of Brands



Signify quality

Create barriers to entry

Serve as a competitive advantage

Secure price premium

Qualities of a good brand

- ❑ Memorable
- ❑ Meaningful
- ❑ Likeability
- ❑ Transferable
- ❑ Adaptable
- ❑ Protectable

PRICING Mechanisms



How Much do we charge?

A good pricing model recognizes the following

- *Market type*
- *Manufacturing costs*
- *Value the product delivers*
- *Market Beliefs,*
- *Competitive Prices*
- *How much the market will bear*

Popular Pricing Models For Startups



❑ Value Pricing:

- *Based on the value delivered by the product rather than the cost itself*

❑ Competitive Pricing/Fair Market Pricing/

- *Positioning products against others in its competitive set, typically in existing markets*

❑ Volume Pricing

- *Designed to encourage multiple purchases or users. This approach doesn't typically to consumer products and services.*

❑ Cost Based Model

- *Traditional model in which price is set two to five times the product cost. Skip it where there are many competitors.*

Popular Pricing Models For Startups



❑ **Portfolio Pricing**

- *This model is relevant only if you have multiple products and services, each with different cost and utility.*

❑ **The “Razor/Razor Blade” Model**

- *Part of the product is free or inexpensive; yet it pulls through repeat, high profitable purchases on an ongoing basis.*

❑ **Subscription**

❑ **Leasing**

- *Lowers the entry cost for customers. Provides constant earnings over a period of years*

Promotion strategy

- How companies inform, educate, persuade and remind consumers of their product benefits.

❖ Approaches

- **Conventional media**
 - print, radio
 - online,
 - television
- **Very specific & Focused on target customer**
 - sales promotions
 - public relations
 - personal selling
 - direct marketing

1. Advertising

Advertising aims to:

- ❑ Make business and product name familiar to the public
- ❑ Create goodwill and build a favorable image
- ❑ Educate and inform the public
- ❑ Offer specific products or services
- ❑ Attract customers to find out more about your product or service

Rules on Advertising

- **Target** - Who is the target? For example, is it male, female, adult, teenager, child, mother, father etc.
- **Media** - Bearing the aim and target in mind, which are of the media available is the most suitable - i.e. TV, radio, press or Internet?
- **Competitors** - What are the competitors doing? Which media channel do they use? Are they successful? Can you improve on their approach and beat them in competition?

2. Personal selling

- It means selling products personally

- Thus a salesperson plays three different roles
 - Be persuasive
 - A service provider
 - Be informative

3. Sales promotion

- Sales promotion relates to short-term incentives or activities that encourage the purchase or sale of a product or service

The major sales promotion activities

□ **Consumer promotions**

- Point of purchase display material
- In-store demonstrations, samplings and celebrity appearances
- On-pack offers, multi-packs and bonuses
- Loyalty reward programs

□ **Business promotions**

- Seminars and workshops
- Conference presentations
- Trade show displays
- Telemarketing and direct mail campaigns
- Newsletters
- Event sponsorship

4. Public relations

- It is the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization (or individual) and its (or their) public.

- Typical public relations tools include:
 - Special events such as news conferences, grand openings and product launches
 - Educational programs
 - Annual reports, brochures, newsletters, magazines and Audio–visual presentations
 - Community activities and sponsorships

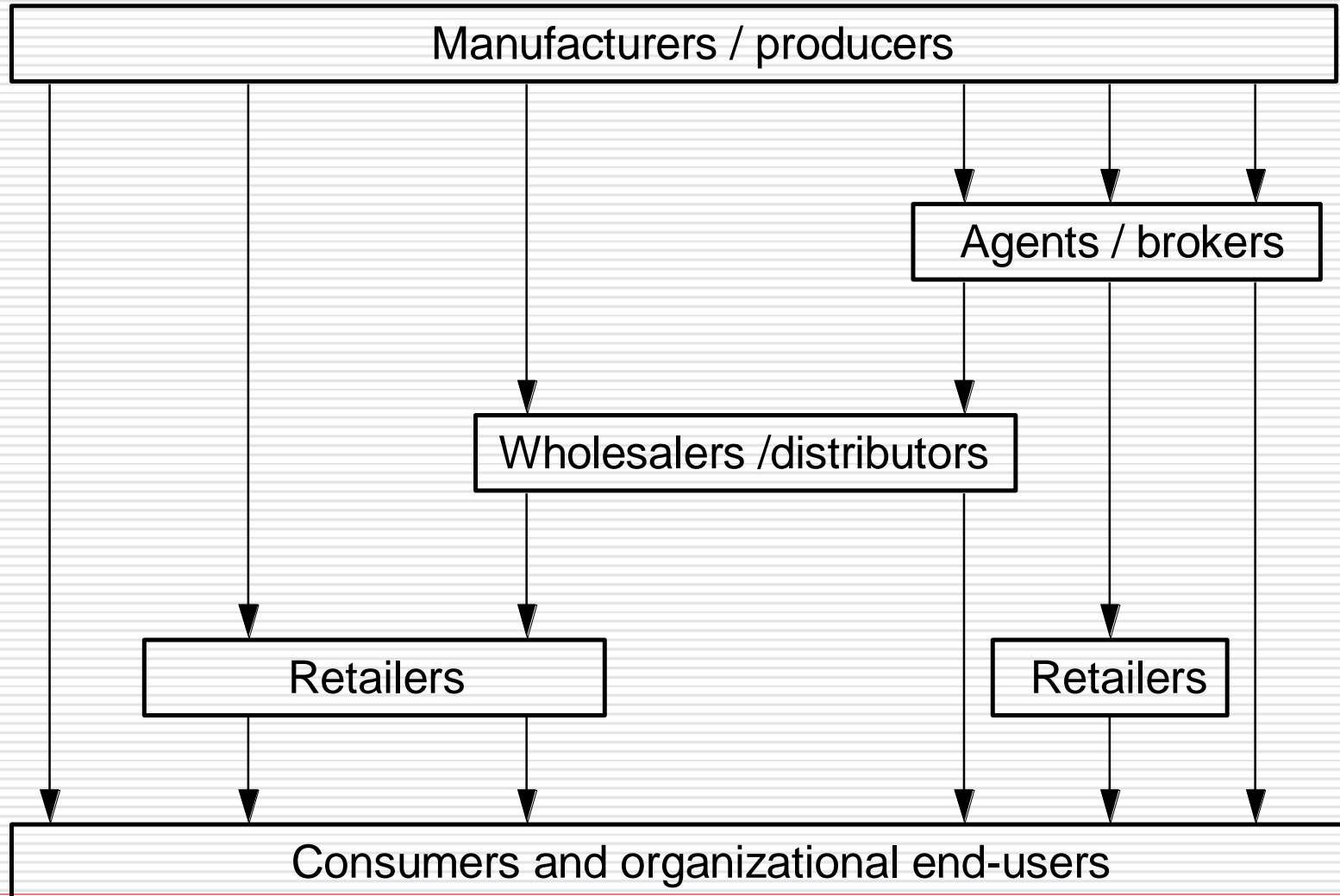
4th P- Place

- ❑ Concerned with making products available when and where customers want them
- ❑ Includes physical distribution of goods.



Distribution
Delivery
Retail Locations
Download
Logistics

ALTERNATIVE MARKETING CHANNELS



Channel design decisions

