

Topic 9

1. Place of Marketing Management in Entrepreneurship

Marketing management is the process of developing strategies and planning for product or services, advertising, promotions, sales to reach desired customer segment.

Marketing management employs tools from economics and competitive strategy to analyze the industry context in which the firm operates. These include Porter's five forces, analysis of strategic groups of competitors, value chain analysis and others.

In competitor analysis, marketers build detailed profiles of each competitor in the market, focusing on their relative competitive strengths and weaknesses using SWOT analysis. Marketing managers will examine each competitor's cost structure, sources of profits, resources and competencies, competitive positioning and product differentiation, degree of vertical integration, historical responses to industry developments, and other factors.

Marketing management often conduct market research and marketing research to perform marketing analysis. Marketers employ a variety of techniques to conduct market research; but some of the more common include:

- Qualitative marketing research, such as focus groups and various types of interviews

- Quantitative marketing research, such as statistical surveys

- Experimental techniques such as test markets

- Observational techniques such as ethnographic (on-site) observation

2. Branding of Product

An effective brand strategy gives you a major edge in increasingly competitive markets. But what exactly does "branding" mean? Simply put, your brand is your promise to your customer. It tells them what they can expect from your products and services, and it differentiates your offering from that of your competitors. Your brand is derived from who you are, who you want to be and who people perceive you to be.

Are you the innovative maverick in your industry? Or the experienced, reliable one? Is your product the high-cost, high-quality option, or the low-cost, high-value option?

USP

You can't be both, and you can't be all things to all people. Who you are should be based to some extent on who your target customers want and need you to be.

The foundation of your brand is your logo. Your website, packaging and promotional materials--all of which should integrate your logo--communicate your brand.

Your brand strategy is how, what, where, when and to whom you plan on communicating and delivering on your brand messages. Where you advertise is part of your brand strategy. Your distribution channels are also part of your brand strategy. And what you communicate visually and verbally is part of your brand strategy, too.

Consistent, strategic branding leads to a strong brand equity, which means the added value brought to your company's products or services that allows you to charge more for your brand than what identical, unbranded products command. The most obvious example of this is Coke vs. a generic soda. Because Coca-Cola has built a powerful brand equity, it can charge more for its product--and customers will pay that higher price.

The added value intrinsic to brand equity frequently comes in the form of perceived quality or emotional attachment. For example, Nike associates its products with star athletes, hoping customers will transfer their emotional attachment from the athlete to the product. For Nike, it's not just the shoe's features that sell the shoe.

Defining your brand is like a journey of business self-discovery. It can be difficult, time-consuming and uncomfortable. It requires, at the very least, that you answer the questions below:

What is your company's mission?

What are the benefits and features of your products or services?

What do your customers and prospects already think of your company?

What qualities do you want them to associate with your company?

Do your research. Learn the needs, habits and desires of your current and prospective customers. And don't rely on what you think they think. Know what they think.

Once you've defined your brand, how do you get the word out? Here are a few simple, time-tested tips:

❖ Get a great logo. Place it everywhere.

Write down your brand messaging. What are the key messages you want to communicate about your brand? Every employee should be aware of your brand attributes.

❖ Integrate your brand. Branding extends to every aspect of your business--how you answer your phones, what you or your salespeople wear on sales calls, your e-mail signature, everything.

❖ Create a "voice" for your company that reflects your brand. This voice should be applied to all written communication and incorporated in the visual imagery of all materials, online and off. Is your brand friendly? Be conversational. Is it ritzy? Be more formal. You get the gist.

❖ Develop a tagline. Write a memorable, meaningful and concise statement that captures the essence of your brand. *What I say when you go to [your name] truly the first*

Design templates and create brand standards for your marketing materials. Use the same color scheme, logo placement, look and feel throughout. You don't need to be fancy, just consistent.

❖ Be true to your brand. Customers won't return to you--or refer you to someone else--if you don't deliver on your brand promise.

❖ Be consistent. This tip involves all the above and is the most important tip on this list. If you can't do this, your attempts at establishing a brand will fail.

What is brand positioning?

Brand positioning is the process of creating a position for your brand in your consumers' minds. It is like creating a key for a lock, a bolt for a nut, or even a button for a buttonhole. In this case, you are offering a solution for your consumers' pain point in a way that no competitor ever has. You think about your consumers,

understand their difficulties, and represent them through your brand. Product positioning is a form of marketing that presents the benefits of your product to a particular target audience. Through market research and focus groups, marketers can determine which audience to target based on favorable responses to the product.

Product Positioning

Product positioning is an important component of any marketing plan, but it doesn't have to be limited to one audience. For example, a product may have a main target audience and also a secondary audience that is also interested in the product, but perhaps in a different way. Each audience will find the product appealing for different reasons, which is why it's important to tailor marketing messages to focus on the benefits each audience values most.

Why do you need it?

Brand positioning connects you with your target audience.

Through brand positioning, you can understand your target audience and connect with them in the best way possible. By perfectly catering to people's requirements, you will establish yourself as a brand that cares while your consumers start trusting you. This trust is what makes it easier for them to make purchase decisions that improve your conversions.

Brand positioning highlights your value proposition.

Positioning your brand essentially means standing up for something. No matter how rigorous or not your competition is, you have to fight your way into the minds of your consumers. Fail to do this and you give competitors the opportunity to snatch away the position that your brand deserves.

This is exactly what happened when airline brand Delta reduced legroom and stopped serving peanuts. The market gap this move created helped JetBlue enter the market with its extensive legroom and gourmet snacks. Friendly service, legroom, and snacks got them there even though they did not have any international flights or extensive

frequent flier programs. They focused on hospitality and enhancing the fun of flying, while other airline brands (like Delta) got busy catering to business travelers.

Brand positioning differentiates you from the rest.

As per Al Ries and Jack Trout, "brand positioning is a concept that helps brands set themselves apart in a crowded hyper competitive market." Anyone can manufacture a product, but only passionate entrepreneurs can create brands. And with good positioning, you can help your brand stand out as something different from the usual.

Tagline / Headline	Catch phrase or product category definition. Ex: Best-in-class Marketing Automation Software (Marketo)
Bigfan	Short, memorable phrase/letter that summarizes the company's strategy. Ex: Drive Revenue with Accounts (HubSpot Marketing)
Positioning Statement	How your product/company/brand brings value to customers in ways different from competition.
2-3 word description	One sentence company description
Business function	Business functions or departments involved in the buying process.
Title	Title of your target customers involved in the buying process.
Role in buying cycle	What role an individual plays in the buying process.
Value Category	Describe the value provided using two or three words.
Value Statement	One sentence value statement.
Bullet points	Value broken down into a few smaller rows.
Features	Identify the exact product features that correspond with a particular value.
Product/Service / Market	Other features of indicating this value to statement can be measured, case studies of the customers with similar pains that were solved w/ your product.

In marketing, promotion refers to any type of marketing communication used to inform or persuade target audiences of the relative merits of a product, service, brand or issue. The aim of promotion is to increase awareness, create interest, generate sales or create brand loyalty. It is one of the basic elements of the market mix, which includes the four P's: price, product, promotion, and place.

Promotion is also one of the elements in the promotional mix or promotional plan. These are personal selling, advertising, sales promotion, direct marketing, publicity and may also include event marketing, exhibitions and trade shows. A promotional plan specifies how much attention to pay to each of the elements in the promotional mix, and what proportion of the budget should be allocated to each element.

Promotion covers the methods of communication that a marketer uses to provide information about its product. Information can be both verbal and visual.

There are three objectives of promotion. These are:

To present information to consumers and others.

To increase demand.

To differentiate a product.

The purpose of a promotion and thus its promotional plan can have a wide range, including: sales increases, new product acceptance, creation of brand equity, positioning, competitive retaliations, or creation of a corporate image.

The term 'promotion' tends to be used internally by the marketing function. To the public or the market, phrases like "special offer" are more common. Examples of a fully integrated, long-term, and large-scale promotion are My Coke Rewards in the USA or Coke Zone in the UK and Pepsi Stuff.

Types

There have been different ways to promote a product in person or with different media. Both person and media can be either physically real or virtual/electronic.

In a physical environment

Promotions can be held in physical environments at special events such as concerts, festivals, trade shows, and in the field, such as in grocery or department stores. Interactions in the field allow immediate purchases. The purchase of a product can be incentive with discounts (i.e., coupons), free items, or a contest. This method is used to increase the sales of a given product. Interactions between the brand and the customer are performed by a brand ambassador or promotional model who represents the product in physical environments. Brand ambassadors or promotional models are hired by a marketing company, which in turn is booked by the brand to represent the product or service. Person-to-person interaction, as opposed to media-to-person involvement, establishes connections that add another dimension to promotion. Building a community through promoting goods and services can lead to brand loyalty.

Traditional media

Examples of traditional media include print media such as newspapers and magazines, electronic media such as radio and television, and outdoor media such as banner or billboard advertisements. Each of these platforms provide ways for brands to reach consumers with advertisements.

Digital media

Digital media, which includes Internet, social networking and social media sites, is a modern way for brands to interact with consumers as it releases news, information and advertising from the technological limits of print and broadcast infrastructures.^[7] Digital media is currently the most effective way for brands to reach their consumers on a daily basis. Over 2.7 billion people are online globally, which is about 40% of the world's population.^[8] 67% of all Internet users globally use social media.^[9]

Sales promotion is a type of Pull marketing technique. If you have a product which is new in the market or which is not receiving a lot of attention, then you can promote this product to customers via sales promotions. You can use various techniques like giving discounts on the product, offering 1 + 1 free schemes, etc etc. When a brand wants to increase the sales of its products, it uses Sales promotion. The brand can increase the sales by attracting new customers to their products or by retaining the old customers by various means. The company can also motivate the dealers and distributors of their channel to perform better for their brand, and to get their stock moving.

There are two types of Sales promotions

a) Consumer sales promotions

Any sales promotion activity that you do keeping the end consumer in mind is known as consumer sales promotions. Example – if an E-commerce website gives 10% discount on its products, then it wants the consumers to make the best of this deal. This is a consumer focused promotional activity and hence can be called as consumer sales promotions.

The objective of Consumer sales promotions might be various. A consumer might be asked to test a sample of a completely new perfume in the market and rate it. An existing customer might be asked to use a Scratch card so that he receives a gift.

At the end, the result should be an action from the consumer. Either the consumer should purchase the product right away, or he should come to know about the product so that further awareness is created for the brand.

b) Trade Sales promotions

If your promotional activities are focused on Dealers, distributors or agents, then it is known as trade promotions. There is a lot of competition in any field. And in channelsales, to get the products moving and to motivate the dealer to perform better, trade discounts are given.

Example – You are a dealer for Televisions. Now Sony comes and tells you, you will be given 5% discount if you cross a sale of 100 televisions. Naturally, you will be very motivated because 5% in television sales is huge. Plus selling Sony TV's is easy because it is already a brand. Thus, you divert all potential customers to Sony Televisions so that you can achieve the target.

Similarly, there are other types of trade sales promotions which can be used to motivate the dealer and distributor. More such techniques of sales promotions are discussed below.

As the noise of competitors rises, you will find more and more companies using sales promotion techniques. The advantage of sales promotion is that they are not too expensive for the company when compared with ATL advertising mediums like Television or newspaper. Hence, even small businesses use it quite effectively.

Types of Sales promotions – Sales promotion techniques.

Below are some of the most common type of sales promotion techniques used across all industries. Some industries, like FMCG, see a lot of these techniques being implemented simultaneously mainly because of the sheer volume of business as well

as because of the competition in FMCG. Other businesses, like Consumer durable, furniture etc also use a combination of these sales promotion techniques.

Let us delve deeper into each of these types of sales promotions.

1) Discounts – Trade / consumer

The most common type of sales promotions is consumer discounts or trade discounts. I don't even need to explain this to everyone because we are bombarded with discount offers every day. Be it E-commerce stores, retail stores or anything else. The reason discount is most used is because it actually works!

If there is a 10% discount on the product for the consumer, then it is known as consumer discount. However, if there is a 10% discount to the dealer when he is purchasing from the company, it is known as trade discount.

In trade discounts, the dealer may or may not forward the discount to the customer. It is not necessary that the dealer will give additional 5% discount to customers when he is himself receiving 10% additional discount. However, many dealers know the importance of achieving sales volumes hence they pass on discounts to customers whenever they receive trade discounts.

2) Gifting

One of the most common ways to promote your store during festival time or when there is a huge walk in expected is Gifting. It is also a way to increase the sales of the products because customers have an anticipation that they might win a gift from the store.

Another popular way to use gifting is to advertise "Assured gifts". Basically, you have different gifts on offer like a mixer grinder or a steam iron. A customer who purchases a set amount of products will get the "Assured gift" from you. This creates excitement

in the mind of the customer and he received something for "free". He might visit again and again.

3) Coupons

Quite commonly used to motivate people to purchase when they think the price is high or it can be incentive to buy your product above the competitors. Domino's, Pizza hut and McDonalds very prominently use coupons in their marketing. If you have their coupon in hand, you get a discount of X amount on the purchase.

What the coupon does is, it instigates you to take action. If today i get a coupon saying i will get 10% off on whatever i purchase from an XYZ store, then i will surely get off my butt and go purchasing. I will purchase all those products anyways. But the coupon got me purchasing from the XYZ showroom. That's the objective of the coupon which it has accomplished.

4) Financing

Financing is ingenious amongst the various types of sales promotions. It is a combination of various factors. Companies which have huge resources generally act as Financers. They allow customers to purchase a product on EMI or on different financing options. All this happens for a minor processing fee and less interest.

As a result, the customer, who does not have complete money to buy the product, will likely purchase the product using financing options. Such financing helps the dealer to liquidate the product faster and also helps the customer in making purchasing decisions.

5) Sampling

It is predominantly used in the FMCG industry for perfumes, deodorants, soaps or even eatables. Sampling is an excellent way to introduce your product in the market and at the same time to increase the awareness of the product. Salons.

The customers who are being targeted by sampling carry a huge ** lifetime value **. Once they get hooked onto your product, they won't leave it that early. Hence,

Sampling might be of higher cost to the company but it is quite successful in the various types of sales promotions.

6) Bundling

*Bundling** is when you put a combination of products on sale for the same price. So, for example, normally a 100 dollars might buy you just a shirt. However, with product bundling, 100 dollars might buy you a set of shirt and pants. As a result, the consumer is much more likely to buy this bundled offer as compared to a single offer.

We see bundling strongly in retail where a shampoo might be bundled with a soap or we can see a bundled combinations of many different items. The disadvantage of bundling is that customer might think one of the products is of poor quality. However, if the products are bundled together and both products are of an excellent brand, then the bundled product will sell much higher quantities and will defeat competition in numbers. Hence, Bundling is commonly used as a type of sales promotion.

7) Contests

There are different forms of contests which can be run to gather more customer information or to motivate the customer to try the product or to create awareness about the new retail place. Contests can be as simple as winning a gift through a scratch card, or it can be an in house game in a retail showroom or it can be an online contest for which users have to enter their information.

Due to the phenomenal rise of the internet, online contests have become very easy and important. They also penetrate faster and reach a lot of customers.

8) Refunds & Rebates

As the name suggests, refunds are a marketing tactic when you get a partial amount refunded to you based on an action you have taken. For example – if you bring the parking ticket to the showroom, your parking amount will be refunded by the store. Such refunds make the customer excited to visit a store.

Similarly, rebate is a type of partial refund which is most popular in the United states, though not much popular in other countries. In rebates, you fill forms while checking

out of stores. And if you have won the rebate, you will have to mail your details to the company and the company will refund you the rebate amount in your bank or via a paypal account.

9) Exchange offers

Exchange offers are quite commonly used all across the world and used strongly in festive season when sales will be more and people are in a purchasing mood. In exchange offer, you can exchange an old product for a new product. You will receive a discount based on the valuation of your old product.

So, if you had an old washing machine at home and there was an Exchange offer in the market, then you will receive an X amount for the washing machine which is decided by the parent company or the retailer. This X amount will be deducted from your final payable amount and will be reduced under the header of "Exchange offer reimbursed".

10) Free trial

Chances are, you have come across several softwares or online programs which offer a free trial to you before you purchase the product. Shareware programs are also a kind of free trial programs where you can use the product for some time but later on have to purchase the product to use it completely.

This is done so that the customer gets a chance to trial run the product before he pays for the product in full. Programs like Adobe Photoshop, Microsoft office 365 and others are known to give free trial programs of upto a month so that the customer can know more about the product, he can try it and then purchase.

11) Email Marketing

Email marketing was, is and is touted to always be one of the best ways to promote your business. It is one of the most commonly used types of sales promotions across the world because of its ease of implementation and because of its penetration. Each and every one of us has an email account which we access regularly. Thus, an Email is personal to us when received in our phone and we are bound to check it out.

Chances are, email marketing bundled with an exciting and irresistible offer can really entice the customer in purchasing your product. As a result, Email marketing is actually widely used, be it online industry or offline.

12) Exhibitions

More commonly used in Food, Jewellery, Clothing, Chemicals and similar such industries where sellers want to showcase the products they have to their buyers. These buyers might be consumers or they may be industrial buyers. An exhibition generally consists of one player who is exhibiting his goods. However, it can also be a combination of players who are all there to showcase their wares.

13) Trade Shows

While exhibitions are targeted towards individual buyers, Trade shows are targeted towards resellers, dealers, distributors and bulk buyers. A trade show is typically a display point for all top companies within an industry. These companies are there to compete and grab the maximum eyeballs of retailers, dealers and distributors. While Exhibitions are concentrated mostly on individual buyers, trade shows are concentrated towards bulk buyers.

14) Demonstrations

One of the most popular products to be sold through product demonstrations were vacuum cleaners which used to be sold house to house. However, because of privacy concerns, such type of promotional activities were stopped. Instead, now you will see water purifiers being promoted through demonstrations in malls, showrooms and other places.

Demonstrations are an excellent way to create more awareness of the product and to make customers comfortable towards a technical product. Technicality of the product can be a barrier to purchase. By demonstrating the actual working of a product, you are removing a barrier to purchase. Hence demonstration is a type of sales promotion mostly used for technical type of products.

15) Continuity programs

One of the best example of continuity programs is the frequent flyer program introduced by most airlines. These airlines give more "miles" to the customers who are flying more and more with the airline. Because you are awarded gifts the more you fly with one airline, you are likely to continue flying with that airline so that you receive more miles.

Another example of the continuity program is when a super market advertises that customers who buy 5 times in this month from that super market will get a gift. This ways, the customer will not shift anywhere else but will do shopping from that super market. Such continuity programs not only aim at getting new customers, but they also retain old customers effectively.

16) Quantity Discount

The more quantity of the product you buy, the more is the discount. So for example, a single soap may cost \$1 but a combined package of 5 units of soap might cost you \$4, giving you a 20% discount on the purchase. Such type of quantity discount is common for customers.

However, the quantity discount is not applicable only to consumers. It is also applicable in trade where a dealer or distributor might be given a discount of 5-10% if he purchases a higher quantity of product. So, a kitchen appliance distributor might be given a discount if he buys higher number of units in the festive season. The higher he sells and the more aggressive he is, the better he will earn.

Above are all the different types of sales promotions. Each and every business is different and therefore, the type of sales promotion used by each business needs to be different. Being a competitive world, most companies use a combination of various sales promotional methods to defeat competitors, attract and retain customers and most importantly, to increase the sale of their products or services.