

The background of the slide features a close-up, slightly blurred image of a silver and black ballpoint pen resting on a light-colored grid pattern, likely a piece of graph paper or a spreadsheet. A semi-transparent green overlay covers the entire image, creating a professional and academic feel.

UNIT-V ENTREPRENEURIAL MARKETING

Entrepreneurship and Project Management

NEED VS WANT ???



Needs and Wants

Needs

Needs are things that we must have in order to survive.

Examples:



Wants

Wants are things that we would like to have to simply enjoy.

Examples:



Want

Desire



For example:

- I **want** to eat a burger.
- I **want** to drink some lime juice.
- I **want** to paint a picture.

Need

Necessary or essential



For example:

- I **need** to eat some food.
- I **need** to drink some water.
- I **need** to do my homework.

THE TOOTHPASTE WARS



The DOMINANT Toothpaste



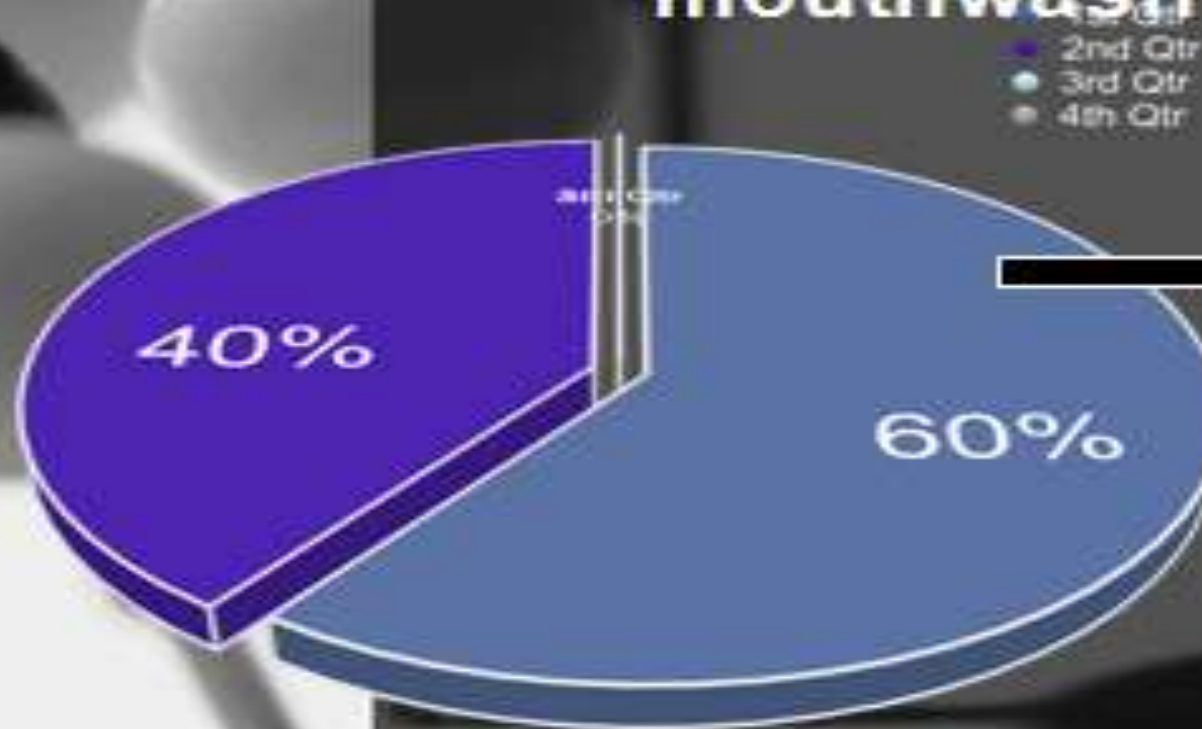
95% of all toothpaste users
used colgate!



ANALYSIS:

a. Colgate has 95% of market

b. 60 % of toothpaste users also use mouthwash



60 % of toothpaste users also use mouthwash



VALUE MUST BE DELIVERED

New product

Toothpaste – mouthwash
in ONE



Product – name “Close-up” why?
- because you use mouthwash
in “Close-up moments (not white
because you become common with
Colgate)

Promotion – “toothpaste &
mouthwash in one: courtship
(magic) moment

Price – more expensive than Colgate
why? Because its 2 in 1

Placement – whenever or where ever
there is toothpaste and
mouthwash sold.



Marketing

"Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with other".

--- Philip Kotler

"Marketing is the term used to describe collectively those business functions most directly concerned with the demand stimulating and demand-fulfilling activities of the business enterprise"

--- Cundiff and Still

Marketing

Marketing is an on-going (continuous) process of discovering and translating consumer wants into appropriate products and services (by means of planning and developing a product on the basis of marketing research and information), creating demand for these products (through pricing and promotion) under keen competition, and serving the demand (through transport and storage) with the help of channels of distribution, such as wholesalers and retailers.

Marketing

- Marketing includes monitoring market trends, conducting market research, demand forecasting, market segmentation, product development, branding, pricing, promotion, distributing the product, and selling.
- Marketing is externally focused – linking the organization with customers and their operating environment
- Simply put, marketing is the delivery of customer value and satisfaction at a 'profit'.

Entrepreneurial Marketing

- Marketing and entrepreneurship have been regarded traditionally as two distinct fields of study. A growing awareness of the importance of entrepreneurship and innovation to marketing, and of marketing to successful entrepreneurship, has led to attempts to combine the two disciplines as "entrepreneurial marketing".

Entrepreneurial Marketing

- “Entrepreneurial marketing is the unique set of marketing practices and methods used by entrepreneurs, start-ups, and small businesses to market and build sustainable businesses.”
- Entrepreneurial Marketing is the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation.

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WHY MARKETING IS CRITICAL FOR ENTREPRENEURS?

- Marketing is vital process for entrepreneurs because no venture can become established and grow without a customer market.
- Entrepreneurs often are faced with designing the entire “marketing system” – from product and price to distribution and communication

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Entrepreneurial Marketing

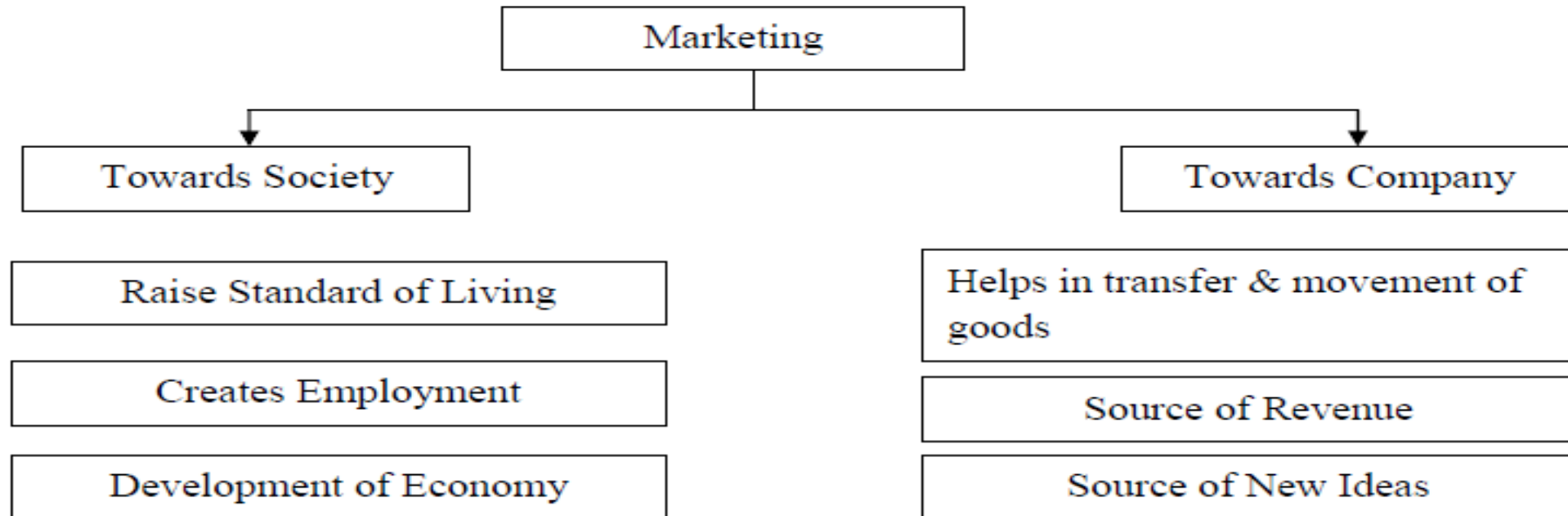
- Entrepreneurial marketing includes **innovation, risk taking, and being proactive**. Entrepreneurial marketing campaigns try to highlight the company's greatest strengths while emphasizing their value to the customer. Focusing on innovative products or exemplary customer service is a way to stand out from competitors. They make this pitch using cheap and accessible tools including viral videos, Tweets, Facebook pages, and email marketing. Any and all marketing strategies can be considered as long as they produce results.
- Entrepreneurial marketing mostly addresses environments where products and companies are rather new. Besides, the liability related to newness and the limited resources of startups are the main problems in entrepreneurial marketing.

Traditional versus Entrepreneurial Marketing

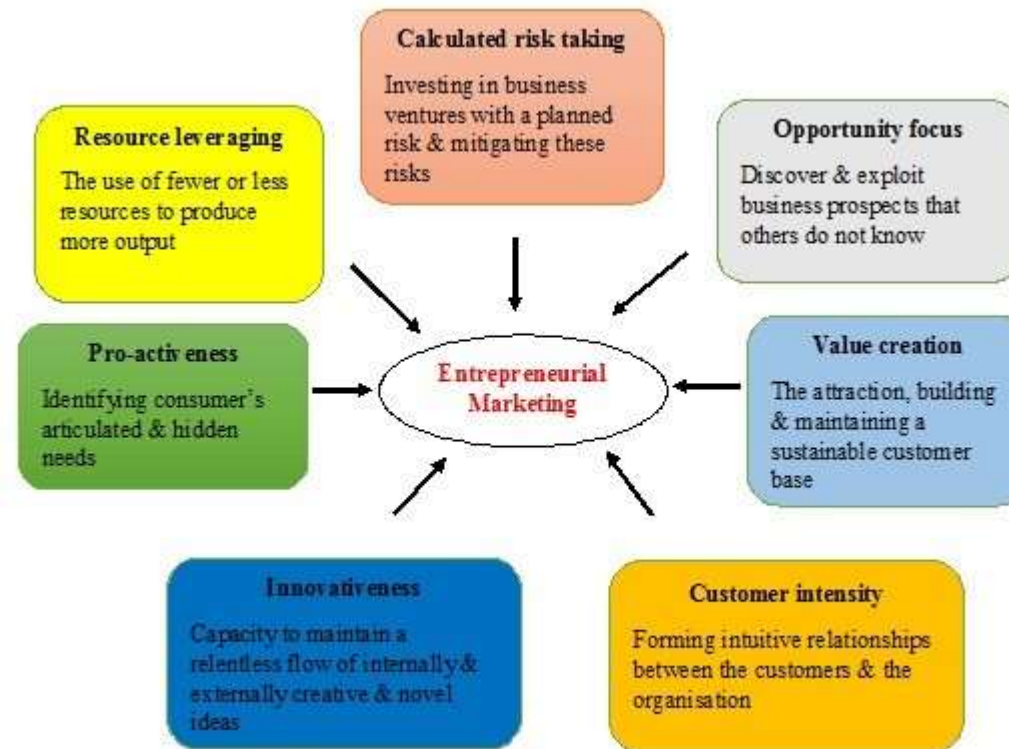
Traditional Marketing	Entrepreneurial Marketing
Greater amount of resources	Few to no resources; founder drives efforts (sweat equity)
Management of an established brand, reminder advertising	Must be ingenious, energetic, and persistent to develop story and brand; leads to trust
Financial and market share goals	Satisfaction and awareness goals
Manage existing customers	Capture first customers; develop a client base and long-term relationships
Manage existing products, promotion, pricing, placement, people, physical environment, and process (the "7 Ps")	Develop new products, price points, channels (placement), communication, process, training, and design
Continue doing what works	Trial and error; market pilots
Communication with customers standardized, one-directional; more difficult to create one-on-one relationships	Communication with customers is more fluid and spontaneous; two-way relationships

Importance of Marketing

➔ IMPORTANCE OF MARKETING



DIMENSIONS OF ENTREPRENEURIAL MARKETING



Features/Dimensions of Entrepreneurial Marketing

Proactive orientation

Innovativeness

Focus on the customer

Utilizing an opportunity

Risk Management

Value Creation

Resource Leveraging

New Product Development(NPD)

- **Product Planning**

- Product Planning is the process of determining in advance that line of products which can secure maximum net returns from the markets targeted.
- Product planning is a “process of constantly reviewing and revising product portfolio of a firm with an objective of security, a balanced sales growth, cash flow and risk.”

New Product Development(NPD)

- **Product Planning**
- In other words, product planning is a process of deciding in advance by the firm about what type of products it should develop and sell in the market so that the product serve as an instrument to achieve the marketing objective. It also monitors the product behaviours and deciding whether it should continue in the product line or any modification is required as to suit the changing consumer needs.

New Product Development

- New Product Development (NPD) refers to the complete process of bringing a new product to market. This can apply to developing an entirely new product, improving an existing one to keep it attractive and competitive, or introducing an old product to a new market.

New Product Development Process

Types of New Products

- New-to-the world Products (iPod, iPad, laser printer)
- **New Product Lines** (When a company offers a product from a new category that they haven't previously offered)
- Additions to a Product Line (Special K line extensions like drinks, snack bars, and cereals).
- Improvements and Revisions of Existing Products: (Android phones)
- Repositioning: Repositioning involves completely altering how the target market perceives the product. (Hutch to Vodafone)
- Cost Reduction: functionally similar to the existing product but launched at a reduced price (Pendrives)

New Product Development Process

- Idea Generation
- Idea Screening
- Concept Testing
- Business Analysis
- Product Development
- Test Marketing
- Commercialisation

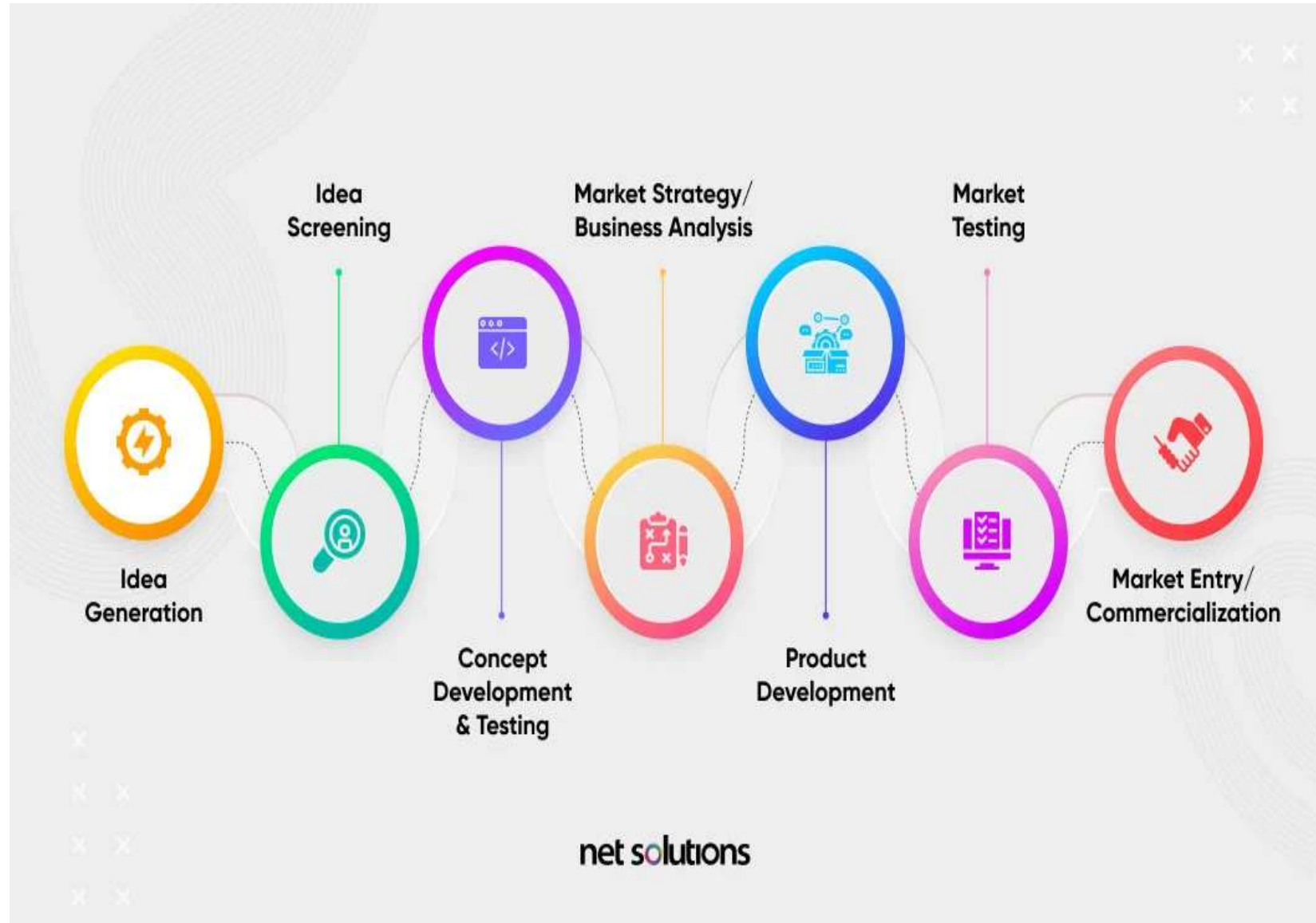


Table 7.1: New Product Development Phases

Phases	Marketing Activities
Idea Generation	Searching for new product ideas from internal and external sources.
Idea Screening	Select the most promising ideas and drop those with only limited potential. Study the needs and wants of potential buyers, the environment, and competition.
Concept Testing	Describe or show product concepts and their benefits to potential customers and determine their responses. Identify and drop poor product concepts. Gather useful information from product development and its marketing personnel.
Business Analysis	Assess the product's potential profitability and suitability for the market-place. Examine the company's research, development, and production capabilities. Ascertain the requirements and availability of funds for development and commercialisation. Project ROI.
Product Development	Determine technical and economic feasibility to produce the product. Convert the product idea into a prototype. Develop and test various marketing mix elements.
Test Marketing	Conduct market testing. Determine target customers' Reactions. Measure its sales performance. Identify weaknesses in product or marketing mix.
Commercialisation	Make necessary cash outlay for production facilities. Produce and market the product in the target market and effectively communicate its benefits.

Benefits of the New Product Development Process

- Helps check the technical feasibility of the idea
- Superior quality products
- Increase in customer satisfaction
- Effectively addresses the customer needs
- Multiplies the chances of success

Essentials of Marketing

- Marketing, Strategic planning for competitive advantage.
- Social responsibility, Ethics and the marketing environment, developing a global vision.
- Analyzing Marketing Opportunities : consumer decision making, business marketing.
- Segmenting and targeting markets, Decision support systems and marketing research.
- Product concepts(A product concept is **a general idea of the product you want to create or market**), developing and managing products & services.
- Non profit organization marketing

Essentials of Marketing

- Marketing channels and supply chain management, Retailing.
- Integrated marketing communications, Advertising and Public Relations.
- Sales promotion and personal selling.
- Pricing concepts - Setting the right price.
- Customer Relationship Management.

Product Life Cycle

v Definitions

- Acc to Philip kotler:

“The PLC is an attempt to recognize the distinct stages in the sales history of the product.”

- Acc to William J. Stanton:

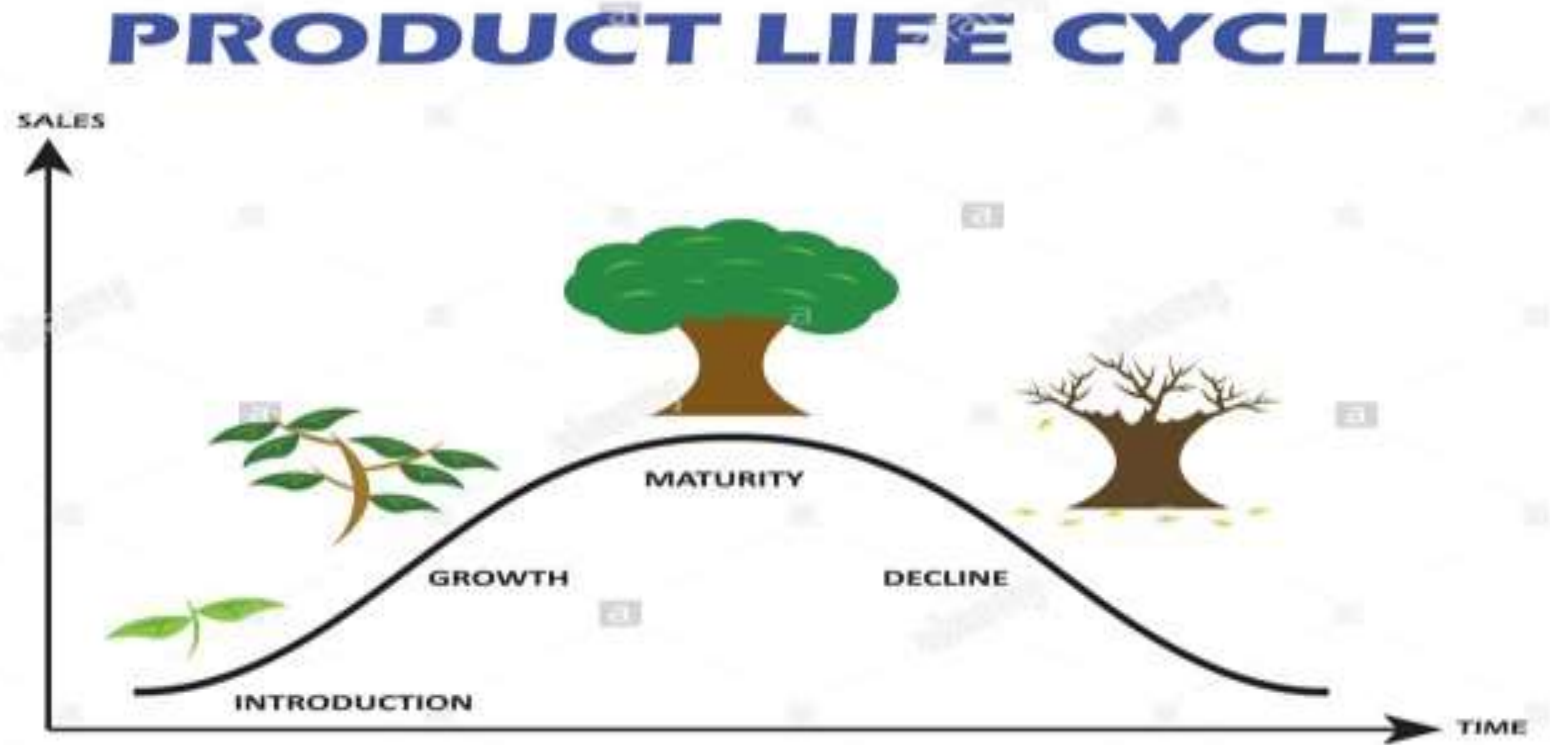
“The Product life cycle concept is the explanation of the product from its birth to death as a product exists in different stages & in different competitive environments”

Importance of Product Life Cycle

- Helpful in sales forecasting.
- Helpful as a predictive tool.
- Helpful as a planning tool.
- Helpful as a control tool.
- Helpful in framing marketing programme.
- Helpful in price determination.
- Development of new product.
- Comparison of different products.

Stages in Product Life Cycle

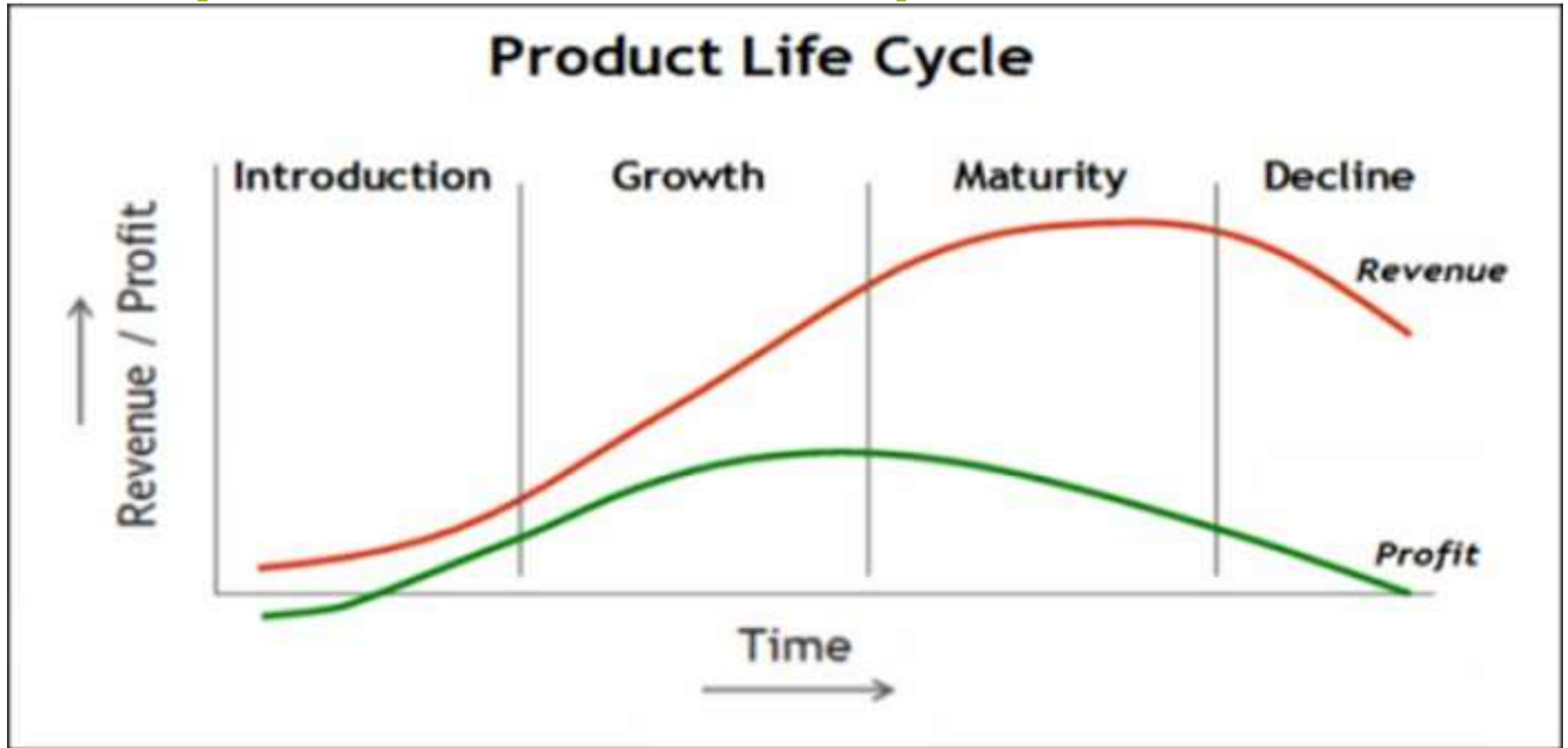
- vIntroduction
- vGrowth
- vMaturity
- vSaturation
- vDecline



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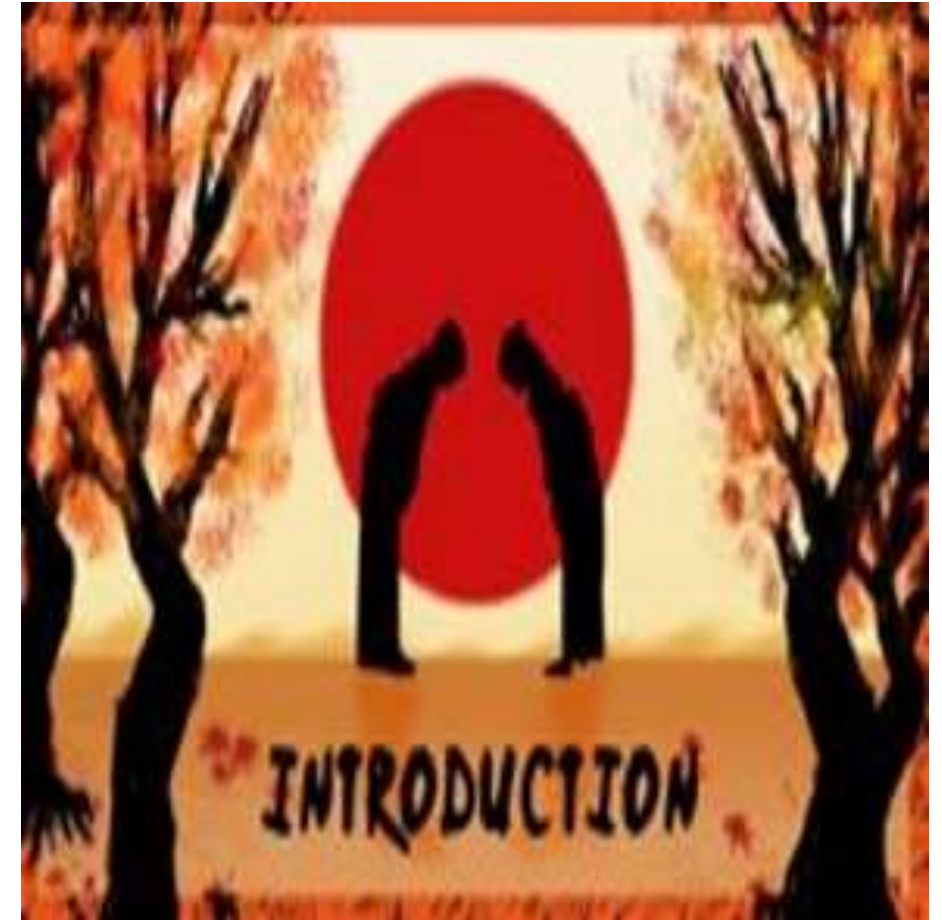
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Stages in Product Life Cycle



Introduction Stage

- It is the 1st stage, where in the product is launched in the market with full scale production & marketing programme.
- The product is a new one. It means “a product that opens up an entirely new market, replaces an existing product or significantly broadens the market for an existing product.”
- In this stage sales grow at a very lower rate because it is not an effective demand.



Introduction Stage

Characteristics

- Low & slow sales.
- High product price.
- Heavy promotional expenses.
- Lack of knowledge.
- Low profits.
- Narrow product lines.



Introduction

Marketing Strategies during PLC

Introduction Stage

- Make proper advertising before the product is launched in the market.
- Shorten the period of introduction as far as possible.
- Heavy advertising & promotional expenses(attractive gifts).
- Selective distribution & attractive discount to dealers.
- If product is technical then adopt skimming pricing policy & if product is simple then adopt penetration pricing policy.

Growth Stage

- Once the market has accepted the product, sales begin to rise & product enter its 2nd stage.
- The product achieves considerable & widespread approval in the market. The sales & profits increases at an accelerated rate.
- In this effective distribution, advertising & sales promotion are considered as the key factors.



Growth Stage

Characteristics

- Rapid increase in sales.
- Product improvements.
- Increase in competition.
- Increase in profits.
- Reduction in price.
- Strengthening the distribution channel.



Marketing Strategies during PLC Growth Stage

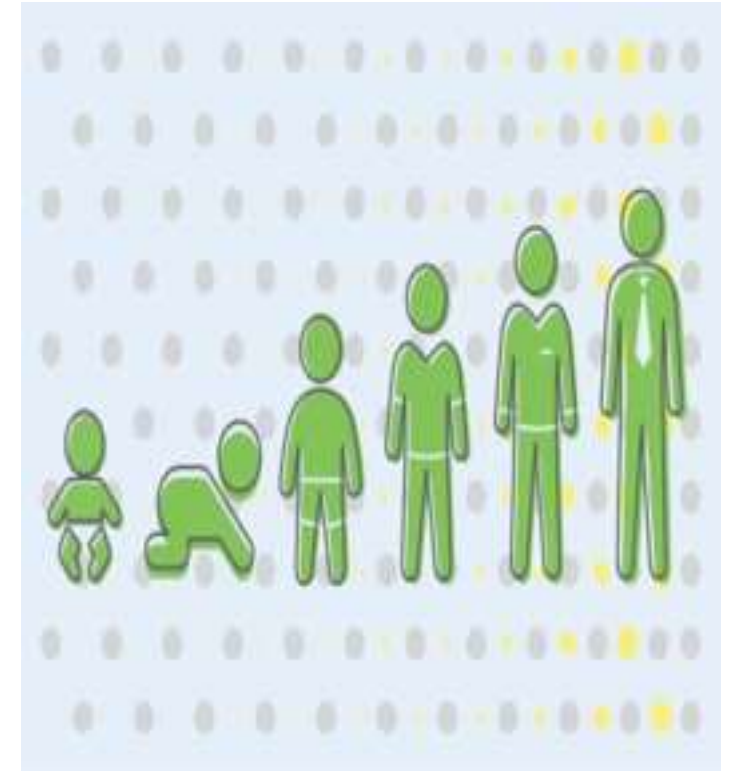
- Improve the product quality.
- Add new product features & improve the product style.
- Enter into new market areas
- Reduce the price to attract a greater number of buyers.

Marketing Strategies during PLC Growth Stage

- Increase in promotional activities.
- Strengthen the distribution channels by increasing the number of retailers.
- New version/models, in different sizes & price range are introduced to cater the requirements of different types of buyers.
- Create brand image of the product through promotional activities.
- Emphasis on customer satisfaction.

Maturity Stage

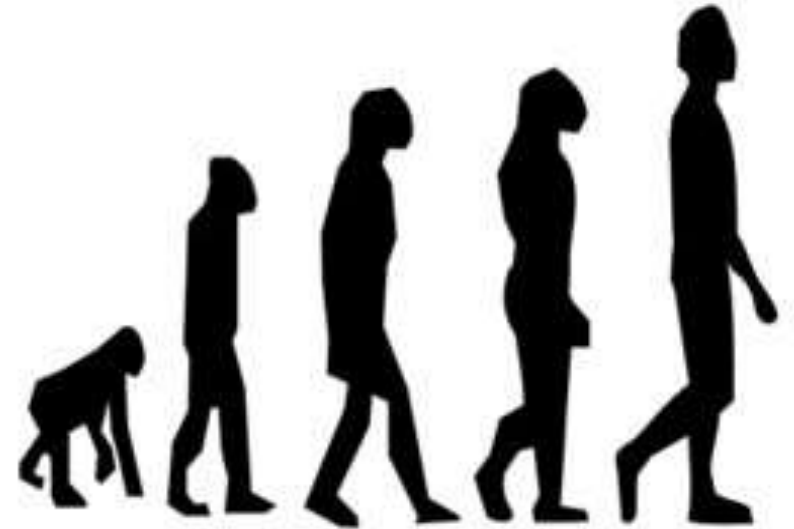
- Market becomes saturated because the household demand is satisfied & distribution channels are full.
- The Product has to face keen competition which brings pressure on prices. Though the sales of the product rises But at a lower rate. Profit margin however decline due to keen competition.



Maturity Stage

Characteristics

- Sales increases at decreasing rate.
- Normal promotional expenses.
- Uniform & lower prices.
- Product modifications.
- Dealer's support.
- Profit margin decreases



Marketing Strategies during PLC Maturity Stage

- Improve the quality of the product & introduce some new models.
- Give proper attention to increase the usage among the current customers & also pursue some new uses of the product.
- Try to convert non-users into users of the product.
- Introduce new packaging & wrapper change policy.
- Lowering the price to attract more consumer. Middlemen's margin is increased, to create the interest.
- Give proper emphasis on advertising & promotional programmes.
- Change in the style & design of the product.

Saturation

- During the product saturation stage, competitors have begun to take a portion of the market and products will experience neither growth nor decline in sales.
- Typically, this is the point when most consumers are using a product, but there are many competing companies. At this point, you want your product to become the brand preference so you don't enter the decline stage.
-

Marketing Strategies during PLC Saturation

- When the market has become saturated, you'll need to focus on differentiation in features, brand awareness, price, and customer service.

Competition is highest at this stage, so it's critical to leave no doubt regarding the superiority of your product.

- If innovation at the product-level isn't possible (because the product only needs minor tweaks at this point), then invest in your customer service and use customer testimonials in your marketing.

Decline Stage

- This is the final stage, sooner or later actual sales begin to fall under the impact of new product competition & changing consumer behaviour. The sales & profits fall down sharply & the promotional expenditure has to be cut down drastically.



Decline Stage Characteristics

- Rapid decrease in sales.
- Further decrease in prices
- No promotional expenses.
- Suspension of production work.



Marketing Strategies during PLC Decline Stage

- Review the marketing & production programs.
- Emphasis on cost control techniques to generate profits means cut all costs to minimum level.
- Economy packs or models may be introduced to revive the market.
- Adopt selective promotion of the product to reduce distribution costs.
- Packaging may be made more attractive & reusable packages.
- R&D efforts are increased to innovate the new product.
- Sales incentive schemes are introduced to get dealer's support.

4 A's of Marketing

- Acceptability: When your products and/or services meet or exceed customers' needs and expectations
 - Functional acceptability: Performance attributes
 - Psychological acceptability: Subjective attributes
- Affordability: When customers can afford and are willing to pay for your products and/or services
 - Functional affordability: Sufficient resources to pay
 - Psychological affordability: Willingness to pay
- Accessibility: When customers can easily buy and use your products/services.
 - Availability: Selling enough products to meet demand
 - Convenience: Ease in acquiring and using a product and services
- Awareness: When customers have enough information about your product/service's to try or continue buying
 - Product Awareness: Adequate information about product like features and benefits
 - Brand Awareness: Adequate information about your brand



7 O's model of Buying Behavior

7 O's	Details
Occupants	Individuals, Shops, Small offices, Educational and Research, Clinics, Restaurants, Fast food joints etc
Objects	High power efficiency, Durability, Low maintenance, Aesthetics, Affordability, Efficient service, Brand name
Objectives	Comfort, luxury, Status symbol, Necessity, Maintenance of electronic equipment.
Organizations	Individuals- Entire family, Shops, Clinics, Organizations- Technical consultants, Stake holders etc
Operations	Market place → cash, Credit cards, Cheques, Demand Drafts, Electronic Fund transfer
Occasion	Climatic conditions, Discount, New residential or commercial establishments, Replacements etc
Outlets	Retail shops, Authorized dealers, Hypermarkets, Specialized markets, Online buying.

Marketing Mix

- Marketing mix means blending or combining of the four elements of marketing, viz., the product, the price, promotion and place into a marketing plan by a business firm to influence the desired buyers' response by satisfying their needs and wants in the most effective and economical manner.
- According to **Philip Kotler**, marketing mix defined as “the set of controllable marketing variables that the firm blends to produce the response it wants in the target market.”

Marketing Mix



**MARKETING
MIX**

Marketing Mix

- The marketing mix was first used by **James Culliton** in the 1940's and was originally the four P's (Product, Place, Price, Promotion). Then in the 1960's a marketing professor called **Edmund Jerome Mc Carthy** added another three, to make it **more applicable to service industries**. In the 1990's the 4 C's were introduced and today we have the 7'C's which form the latest Marketing Mix.

4Ps

Product

Price

Place

Promotion

4Cs

Consumer's
needs and wants

Costs to
the consumer

Convenience

Communication

MARKETING MIX



PROCESS- All companies want to create a smooth, efficient and customer-friendly journey – and this can't be achieved without the right processes behind the scenes to make that happen.

Physical Evidence

For a restaurant, physical evidence could be in the form of the surroundings, staff uniform, menus and online reviews to indicate the experience that could be expected

The Marketing Mix 1940-2020








1940

The 4 P's

-  Product
-  Place
-  Price
-  Promotion



1960

The 7 P's

-  Product
-  Place
-  Price
-  Promotion
-  People
-  Physical Evidence
-  Process








1990

The 4 C's

-  Communication
-  Consumer
-  Convenience
-  Cost

2020

The 7 C's

-  Core Value Proposition
-  Consumer Outreach
-  Channels
-  Campaigns
-  Customer Acquisition
-  Customer Lifetime Value
-  Customer Journey



Market Segmentation

- Market Segmentation is the strategy of 'divide' and 'conquer.' i.e. **dividing the market in order to conquer them. So, it is refers to the division of total market into a sub-market is called as market segmentation.**
- According to **Philip Kotler**, Market Segmentation refers to "the subdividing of a market into homogeneous subsets of customers where any subset may conceivably be selected on a market target to be reached with a distinct marketing mix".
- According to **W J Stanton**, Market Segmentation consists of "taking the total heterogeneous market for a product and dividing it into several sub-markets or segments each of which tends to be homogeneous in all significant aspects."

Importance of Market Segmentation

- Adjustment of product and marketing appeals
- Better position to spot marketing opportunities
- Allocation of marketing budget
- Effective competition with rivals
- Effective marketing programme
- Evaluation of marketing activities

Objectives of Market Segmentation

- Better Service
- Market Specialization
- Optimum utilization of resources
- Increase efficiency
- Easy updates of changes in the marketplace
- Effective planning and Implementation

Basis of Marketing Segmentation

Geographic segmentation

Region
Climate
Market Density
Market Size

Demographic segmentation

Age and Lifestyle
Gender
Income
Occupation
Marital Status
Social Class
Family Size
Education Level
Religion

Psychographic segmentation

Lifestyle
Personality
Values
Beliefs

Behavioural segmentation

Occasion
Benefits
User Status
Quantity
Readiness
Loyalty status
Attitude

Basis of Market Segmentation

Geographic Segmentation

- Region: Continent, Country, State
- Size of metropolitan area: Segmented according to population size
- Population Density
- Climate

Basis of Market Segmentation

Demographic Segmentation

- Age
- Gender
- Family Size
- Family Life Cycle
- Income
- Occupation
- Education
- Generation
- Ethnicity
- Nationality
- Religion
- Social Class

Basis of Market Segmentation

Psychographic Segmentation

- Interests
- Activities
- Opinions
- Values
- Attitudes

Basis of Market Segmentation

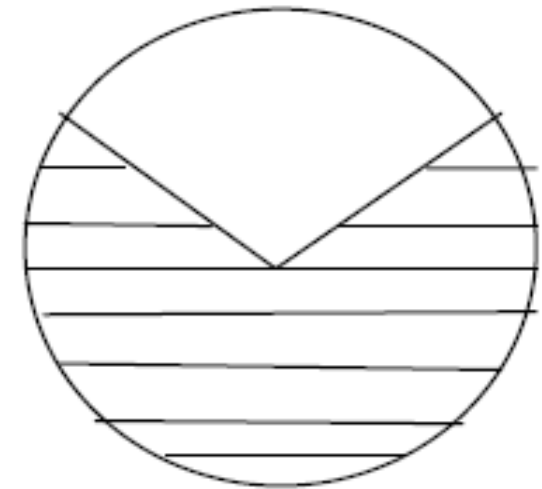
Behavioural Segmentation

- Benefits Sought
- Usage Rate
- Brand Loyalty
- User Status
- Readiness to buy
- Occasions

STRATEGIES OR STRATEGIES OPTIONS OF MARKET SEGMENTATION

Concentrated Marketing

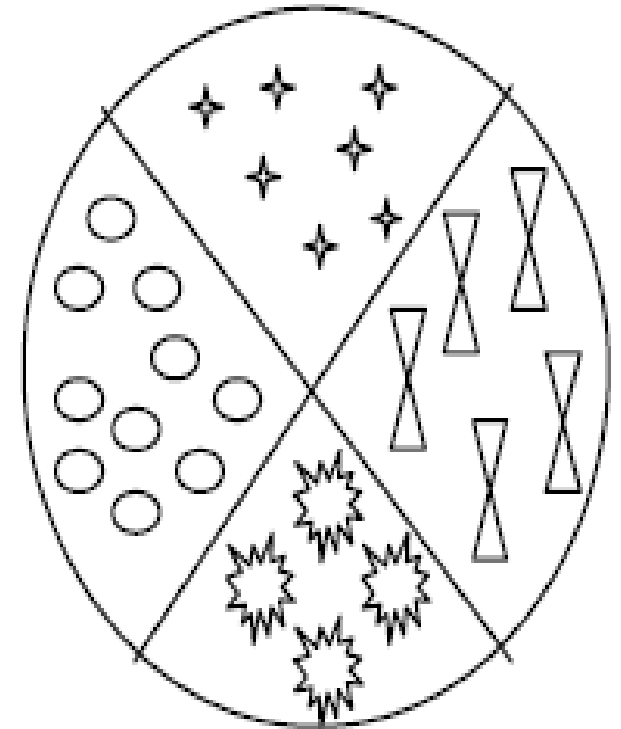
- A firm may decide to concentrate all available resources on one chosen segment within the total market. It selects a market area where there is no strong competition, and it can do best in that area
- It is an “all-the-eggs-in-one-basket” strategy. It demands innovation in order to ensure customer patronage continuously.



STRATEGIES OR STRATEGIES OPTIONS OF MARKET SEGMENTATION

- **Differentiated Marketing**

- An organization under differentiated marketing strategy, enters many marketing segments but has a unique marketing mix appropriate for each segment. It wants to do business successfully in several segments.
- However, differentiated marketing has one disadvantage viz., higher production and higher marketing costs.



Power Brands of HUL



POND'S



Rexona



LUX

Pears® AXE

Pepsodent



LAKME

SUNSILK

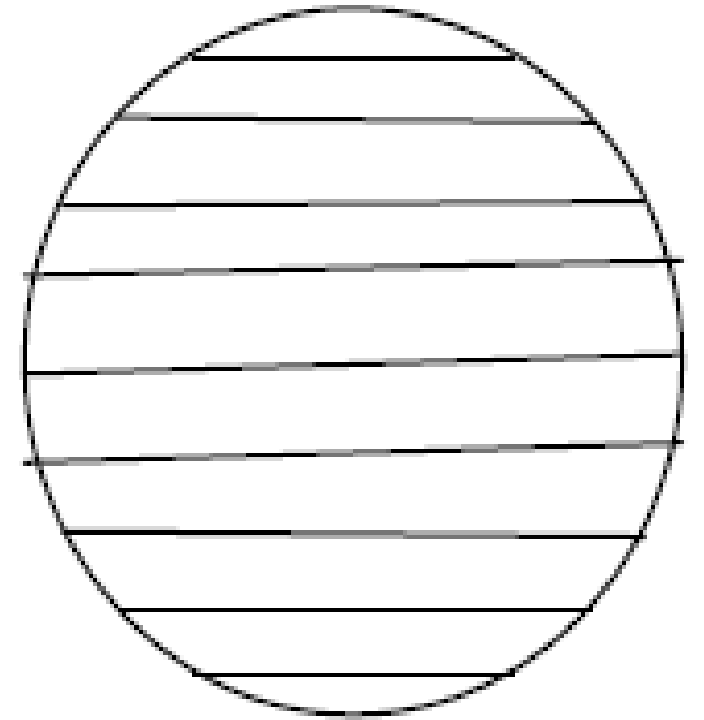
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STRATEGIES OR STRATEGIES OPTIONS OF MARKET SEGMENTATION

• Undifferentiated Marketing

- Marketing firm does not prefer to segment the market but just makes an attempt to design a product and a marketing programme that appeals to the broadest number of buyers. In this strategy market is concerned with mass marketing.
- It uses the “Scatter Shot Philosophy” i.e. production of product in large in disorganized way rather than focusing on particular segment.



Steps in Market Segmentation

- Assess the differences between groups in terms of their needs and requirements and their perception about the product to be offered.
- Find out the descriptive characteristics that can be used to tag on a particular segment of customers.
- Segregate the customers based on above criteria.

Steps in Market Segmentation

- Analyse and decide separate marketing programmes and marketing mixes, if possible, for the different segments of markets.
- Identify the segment which would be satisfied with the offering of the business. Estimate the volumes of purchase by different segments.
- Finally, select those segments which would offer the highest potential and which would be amenable to the offerings of the firm.

STP Model



Basis of Marketing Segmentation

Geographic segmentation

Region
Climate
Market Density
Market Size

Demographic segmentation

Age and Lifestyle
Gender
Income
Occupation
Marital Status
Social Class
Family Size
Education Level
Religion

Psychographic segmentation

Lifestyle
Personality
Values
Beliefs

Behavioural segmentation

Occasion
Benefits
User Status
Quantity
Readiness
Loyalty status
Attitude

Market Targeting

- The list below refers to what's needed to evaluate the potential and commercial attractiveness of each segment.
- **Criteria size:** The market must be large enough to justify segmenting. If the market is small, it may make it smaller.
- **Difference:** Measurable differences must exist between segments.
- **Money:** Anticipated profits must exceed the costs of additional marketing plans and other changes.
- **Accessible:** Each segment must be accessible to your team and the segment must be able to receive your marketing messages
- **Focus on different benefits:** Different segments must need different benefits.

Positioning Strategy Process

Identify Brand Uniqueness

1. Determine how your brand is currently positioning itself
2. Identify your direct competitors
3. Understand how each competitor is positioning their brand
4. Compare your positioning to your competitors to identify your uniqueness
5. Develop a distinct and value-based positioning idea
6. Craft a brand positioning statement
7. Test the efficacy of your brand positioning statement

Example for Positioning

