

What is Entrepreneurship?

Entrepreneurship is the endeavor of creating, owning, and commercializing an idea, technology, product, or service, as well as assuming the risks and rewards associated with that enterprise.

Entrepreneurship is a **composite skill** that is a mixture of many qualities and traits such as imagination, risk taking ability to harness factors of production, i.e., land, labour, technology and various intangible factors. Entrepreneurship culture implies a set of values, norms and traits that are conducive to the growth of entrepreneurship.

Entrepreneur

An **entrepreneur** is someone who identifies and acts on an idea or problem that no one else has identified or acted on. **This combination of recognizing an opportunity to bring something new to the world and acting on that opportunity is what distinguishes an entrepreneur from a small business owner. A small business owner is someone who owns or starts a business that already has an existing model, such as a restaurant, whereas an entrepreneur is someone who creates something new.**

Entrepreneurs have many different talents and focus on a variety of different areas, taking advantage of many opportunities for entrepreneurial ventures.

Entrepreneurial Venture

An **entrepreneurial venture** is the creation of any business, organization, project, or operation of interest that includes a level of risk in acting on an opportunity that has not previously been established.

For some entrepreneurs, this could be a for-profit venture; for other entrepreneurs, this could be a venture focused on social needs and take the form of a nonprofit endeavor.

Entrepreneurship is the most important element for economic progress and it is shown in different ways:

- a) by identifying, assessing business opportunities
- b) by creating new firms.
- c) by driving economy forward through innovation, competence, job creation, and by generally improving the wellbeing of society.
- Entrepreneurship is a personal & emotional matter that is difficult to explain and present logically,

Roles of Entrepreneurship

- i. Entrepreneurs boost economic growth by introducing innovative technologies, products, and services.
- ii. Increased competition from entrepreneurs challenges existing firms to become more competitive.
- iii. Entrepreneurs provide new job opportunities in the short and long term.
- iv. Entrepreneurial activity raises the productivity of firms and economies.
- v. Entrepreneurs accelerate structural change by replacing established, sclerotic firms.

Entrepreneurial Skills

Entrepreneurial skills are a crucial element of any entrepreneur's success. Entrepreneurial skills refer to the abilities and qualities that enable someone to start a business and make it grow successfully over time.

- Entrepreneurial skills can encompass a large range of both soft and hard skills.

Entrepreneurial Skills include:

- i. Business management skills
- ii. Teamwork and leadership skills
- iii. Communication and listening
- iv. Customer service skills
- v. Financial skills
- vi. Analytical and problem-solving skills
- vii. Critical thinking skills
- viii. Strategic thinking and planning skills
- ix. Technical skills
- x. Time management and organizational skills
- xi. Branding, marketing and networking skills.

How to Improve Entrepreneurial Skills

- i. Take a course
- ii. Attend events and workshops
- iii. Seek out experienced mentors
- iv. Build your leadership skills.
- v. Learn how to manage finances.

Types of Entrepreneurs

SN	Type of Entrepreneur	Approach to venture
1.	Innovators	Find new approaches, methods, or products that add value through solving a problem in a unique manner. Innovators are those who come up with completely new ideas and turn them into viable businesses. In most cases, these entrepreneurs change the way people think about and do things. Example, Steve Jobs (Apple), Larry Page (Google), Elon Musk (Paypal), Salman Khan (Khan Academy)
2.	Creators	Make something new or see a problem that other people have not noticed

3.	Market makers	Innovate or reinvent their market from a future perspective by asking what the market could evolve into. Innovate your market, then innovate your business. Fast-changing markets demand fast-changing businesses. Eg: Nespresso
4.	Expanders and scalers	Seek out opportunities to expand upon previously created methods, processes, or products.
5.	Imitators	Copy certain business ideas and improve upon them. They are always looking for ways to make a particular product better so as to gain an upper hand in the market. Imitators are part of innovators who don't stick to the terms set by other people and have a lot of self-confidence. Eg Mark Zuckerberg.

The entrepreneurial mindset

The entrepreneurial mindset allows an entrepreneur to view the world as full of possibilities. Entrepreneurial passion and spirit help entrepreneur overcome obstacles to achieve their goals.

Within your industry of interest or area of study, what are the challenges that create frustration? How can these be turned into opportunities?

Entrepreneurial mindset: an awareness and focus on identifying an opportunity through solving a problem and a willingness to move forward to advance that idea.

The entrepreneurial mindset is the lens through which the entrepreneur views the world, where everything is considered in light of the entrepreneurial business.

- The mindset becomes a way of life for the entrepreneur.

Discuss

1. What is the difference between entrepreneurial mindset and entrepreneurial spirit?

These terms are often used interchangeably, but they have slightly different meanings.

An entrepreneurial mindset refers to a way of thinking that is focused on identifying and pursuing opportunities, being adaptable and resilient, taking calculated risks, and being persistent in the face of challenges. This mindset is characterized by creativity, innovation, and a willingness to learn and adapt. It can be developed and cultivated through education, training, and experience.

Entrepreneurial spirit, on the other hand, refers to a more intangible quality that is often associated with successful entrepreneurs. It encompasses qualities such as passion, drive, determination, and a strong sense of purpose. It is often said that entrepreneurial spirit is something that you are born with, and it is difficult to teach or learn.

In summary, entrepreneurial mindset refers to a way of thinking and problem-solving, while entrepreneurial spirit involves personal qualities and attributes associated with successful entrepreneurship.

Entrepreneurial Attributes that enable drive

Entrepreneurial drive is something of an umbrella term for the wide variety of characteristics that compel an individual to pursue a unique and untested path relentlessly, regardless of the failures and obstacles. The characteristics below all overlap with drive in some way, to ultimately create a template for the entrepreneurial mentality:

- i. **Vision** - The entrepreneur must be able to create and communicate an easily understandable vision of what the new venture does in order to successfully launch a new business
- ii. **Creativity** - The entrepreneur must be able to inject imagination and uniqueness into a new business venture. It takes skill and ingenuity to create a new venture equipped with strategies to outsmart the competition.
- iii. **Focus** - The entrepreneur must be able to maintain the vision of the company with unwavering diligence. It's very easy to get sidetracked, especially if necessary to adapt the original vision. Ironically, there are many successful entrepreneurs who get bored easily.
- iv. **Passion** - Entrepreneurs must have a desire to succeed in a business venture under their own initiative.
- v. **Perseverance** - The entrepreneur must be able to keep going even when faced with seemingly challenging obstacles.
- vi. **Opportunistic nature** - The entrepreneur must take advantage of an upcoming trend or unite unrelated processes to create a unique business venture. It helps, of course, to see the possibilities before they even exist.
- vii. **Problem-solving ability** - The entrepreneur must thrive on coming up with solutions to complex challenges.
- viii. **Self-discipline** - The entrepreneur must be organized and regimented in pursuit of a successful business venture. This includes frugality, which is knowing how to stretch every cent so that expenditures are as low as possible.

The Entrepreneurial Journey

The entrepreneurial journey is your exploration to discover if entrepreneurship is right for you. Every entrepreneurial journey is unique; no two individuals will experience it in the same way. Along the way, you will find opportunities and risks coupled with challenges and rewards. The steps are:

Step 1: Inspiration – What is your motivation for becoming an entrepreneur?

Step 2: Preparation – Do you have what it takes to be an entrepreneur?

Step 3: Assessment – What is the idea you plan to offer through your venture?

Step 4: Exploring Resources – What resources and characteristics do you need to make this venture work?

The idea of exploring resources includes **many other options besides how to fund a new venture**. In a trial run, you would offer your product or service for sale within a limited market on a test basis to evaluate what additional resources are needed to support the success.

Step 5: Business Plan – What type of business structure and business model will your venture have?

The challenges at this step is to **remain focused on managing your resources to meet your goals** and outcomes as you write your business plan for your new venture. Be honest with yourself by running a reality check about your ability to manage a venture, especially from a personal-capacity perspective.

Step 6: Navigation – In what direction will you take your venture? Where will you go for guidance?

By nurturing an entrepreneurial mindset, you will be better prepared when opportunities, challenges or obstacles surface. On your entrepreneurial journey, evaluating the experience or situation is a perfect opportunity for you to determine how realistic, overambitious, or shortsighted your dreams and goals for your ventures may be.

Step 7: Launch – When and how will you launch your venture?

By this point, you have made improvements to your product through feedback received in your trial run. You've identified the value or benefits provided by your product. You've identified your **target market** and **location** of your launch, whether it is a geographical location or an internet location.

The Entrepreneurial Lifestyle and Career

Choosing the path of entrepreneurship requires a willingness to take on calculated risks. The difference between risk and calculated risk is due diligence or conducting the necessary research and investigation to make informed decisions that minimize risk.

- Every entrepreneurial journey is unique; No two individuals will experience it in the same way. Along the way, you will find opportunities and risks combined with challenges and rewards. Developing a venture can be an exciting and active experience. It is also a lot of hard work, which can be equally rewarding.

Entrepreneurship theories

Entrepreneurship is accepting challenges and finding innovative solutions to them. The main theories of entrepreneurship:

- i. Innovation Entrepreneurship theory
- ii. Economic Entrepreneurship theory
- iii. Opportunity based Entrepreneurship theory
- iv. Resource-based Entrepreneurship theory
- v. Process of stage Entrepreneurship theory

Explanation on each theory**i. Innovation Entrepreneurship theory**

What makes entrepreneurs different from normal businessmen is **finding innovative solutions and having foresight**. Joseph Alois Schumpeter, one of the greatest economists, put forth the well-known innovative theory which changed the entrepreneur's perspective. According to Schumpeter, entrepreneurs take the stationary economy to a new level of development by adding innovation and creativity of their own. Schumpeter also stated that entrepreneurs bring innovation in two ways namely:

1. By reducing the cost of production
2. By increasing the demand for certain products

ii. Economic Entrepreneurship theory

This theory was proposed by Richard Cantillon who considered the economy as one of the fields affected by entrepreneurship. According to Cantillon, **an entrepreneur acts as both 'producers' and 'exchangers'**. An entrepreneur's action greatly affects the supply chain of raw products being collected, to become an end product for consumers. Cantillon included everyone as an entrepreneur from their little actions starting from a beggar to restaurant owners as they also have their source of unfixed income; this counts as a unique factor and made his theory stand out from other entrepreneurship theories.

iii. Opportunity based Entrepreneurship theory

Peter Drucker in his theory stated that "this defines entrepreneur and entrepreneurship, **the entrepreneur always searches for change, responds to it and exploits it as an opportunity**". Peter Drucker and Howard Stevenson focused on a wide-ranging conceptual framework of entrepreneurship and hence contradicted Schumpeter's theory which stated entrepreneurship as change.

iv. Resource-based Entrepreneurship theory

This theory states that **entrepreneurs need resources to start and carry their businesses**. Money and time alone are not sufficient for a blooming startup; hence Entrepreneurs require resources to make their efforts productive. Also, the theory's main focus is on showing the importance of financial, social, and human resources and in the process enhance an individual's abilities.

v. Process of stage Entrepreneurship theory

This theory is once again **divided into five stages describing the development journey of an entrepreneur**. It is a widely accepted theory by Venkat Rao. The five steps of entrepreneurship development according to this theory are:-

1. Simulation for stimulation of entrepreneurship
2. Identifying abilities and capacities of entrepreneurship
3. Expansion and development stage
4. Publicity foundation/Promotion
5. Feedback

Entrepreneurial Marketing

Marketing is an umbrella term given to those activities that entrepreneurs use to identify consumers and convert them into buyers for the purposes of achieving a profit.

No matter the size of the venture, marketing lays the foundation for how entrepreneurs reach and serve target customers.

Whether it's a global brand such as Apple, a small- to mid-size company such as a small restaurant or local gym,

- **Marketing** refers to the core strategies companies use to **reach and sell to customers**.

As you might expect, the way entrepreneurs market their new product is somewhat different from how a large company markets an established brand.

- Being a successful entrepreneur often means being able to balance the many different respects of a business, such as **financing, accounting and management**.

Marketing

- Identifying companies that have the interest, expertise and resources to develop products in similar fields as your invention can be extremely helpful in gathering information, feedback and interest in your invention.
- Potential investors can also be a valuable source of information. We welcome your inputs on potential contacts in industry and business, and we will also identify contacts for engagement.
- Marketing channels, including website, technology exchanges, and trade shows may be used to communicate your invention.



EXTRAS on Entrepreneurship theories

vi. The theory of need for achievement

the theory of need for achievement emphasizes the importance of personal traits and motivations for successful entrepreneurship. According to this theory, individuals with a high need for achievement are more likely to be successful entrepreneurs. Such individuals have a strong desire to take personal responsibility for achieving challenging goals, a willingness to take risks, and a strong drive to succeed. The theory focuses on individual characteristics and traits associated with successful entrepreneurship.

vii. Sociological Entrepreneurship theory

This theory talks about the social aspects of entrepreneurship. If an entrepreneur considers all the social aspects such as social taboos, customs, culture, and other religious beliefs, they might have a well-established business that is up to mark with every consumer's expectation. Max Weber propounded the sociological entrepreneurship theory and stated that entrepreneurs should accept the system of a society for the development of themselves as well as their startup.

viii. Psychological Entrepreneurship theory

Psychological theories are of three sections. They are based on the personal characteristics of a typical entrepreneur.

1. Locus of control - Any entrepreneur's success can be an outcome of internal locus of control as well as the outer locus of control i.e., his or her Inside abilities and support from outside.
2. Theory of personality traits - The inborn qualities of an individual are the one that naturally makes them an entrepreneur.
3. Theory of need for achievement - Entrepreneurs are driven by a need for achievement and it eventually makes them succeed.

Now, these three characteristics distinguish various types of entrepreneurs based on psychological entrepreneurship theories.

ix. Anthropological Entrepreneurship theory

It relates to the cultural model of entrepreneurs. Anthropologists study the human aspects within the past and present. This makes them good observers of society and hence according to them, to have a successful venture, entrepreneurs should consider the social and cultural contexts.

Entrepreneurs can find possibilities that present themselves as difficulties because of the social aspects of business activities (social or environmental). It pushes them to come up with new ways to solve difficulties, or at the very least contribute to their solutions.

LECTURE 3 – 5/5/23

ENTREPRENEURIAL MARKETING

Marketing is an umbrella term given to those activities that entrepreneurs use to identify consumers and convert them into buyers for the purposes of achieving a profit.

No matter the size of the venture, marketing lays the foundation for how an entrepreneur reaches and serves its target customers. Whether it's a global brand such as Apple, a small- to mid-size company such as a small restaurant or local gym, marketing refers to the core strategies companies use to reach and sell to customers.

As you might expect, the way entrepreneurs market their new product is somewhat different from how a large company markets an established brand.

Traditional marketing

Traditional marketing for large businesses such as Coca-Cola, Disney, Uber, Amazon and Dell tend to focus on managing and growing existing programs and brands. Companies like these enjoy greater resources such as substantial financial support and large numbers of marketing professionals to steer their efforts.

Examples of traditional marketing practices are print advertising, television advertising, radio advertising, direct mail, cold calling, trade shows.

Entrepreneurial marketing

Entrepreneurial marketing is a set of **unconventional** practices that can help entrepreneurs to emerge and have an edge in **competitive markets**.

Entrepreneurial marketing emphasizes **flexibility** and **innovation** as a way to stake a claim within competitive markets.

The main difference between this and traditional approaches is that entrepreneurial marketing tends to focus on **satisfying the customer** and **building trust** by providing innovative products and services that appeal to a specific market.

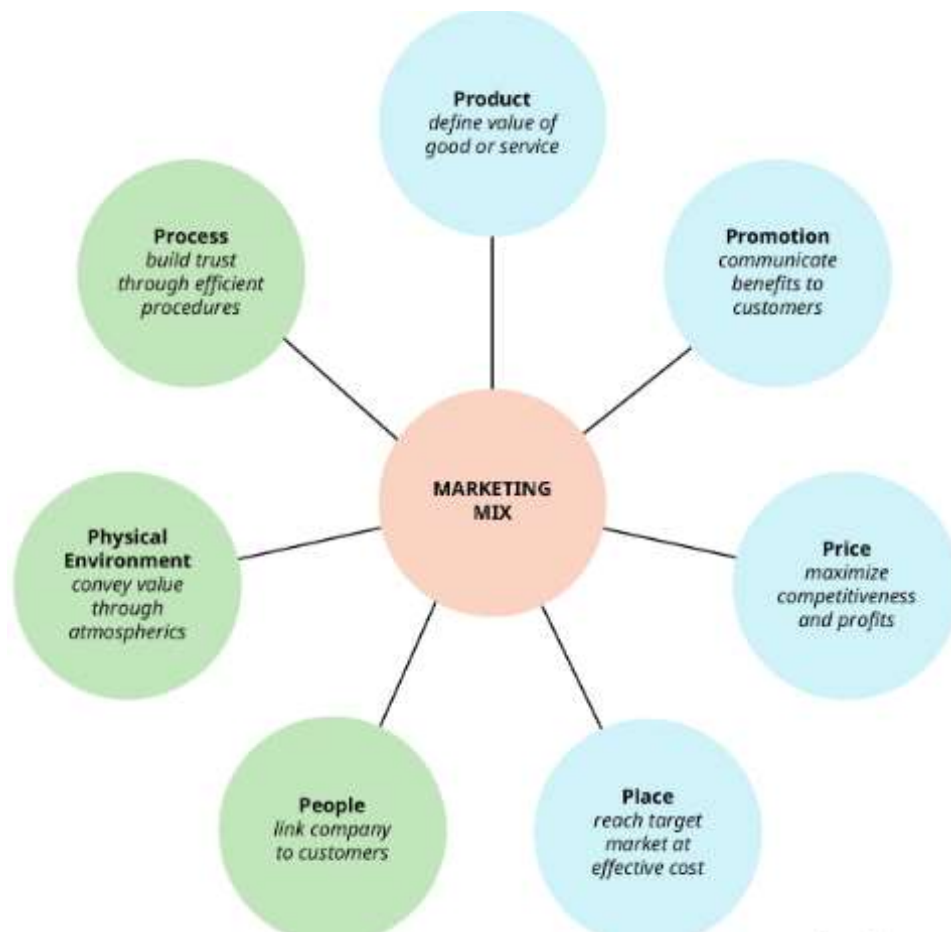
Examples of entrepreneurial marketing practices are Guerilla marketing, content marketing, influencer marketing, viral marketing, referral marketing.

Marketing Mix

Target market is the specific group of consumers for which a company seeks to provide a good or service.

Marketing mix are tools entrepreneurs use to gain reaction from the target market.

One common way of understanding and remembering the components of the marketing mix for products and services is by thinking in terms of the "**7 Ps**." First four relate more to products: **Product, Pricing, Promotion, and Place**. The remaining three relate more to services: **Physical environment, Process, and People**.



1. Product

Product refers to a good or service that creates value by fulfilling a customer need or desire. Goods are tangible products that can be touched, smelled, heard, and seen. In contrast, services are intangible products.

Defining the value of the products you are going to offer is an important step toward identifying a competitive advantage within a marketplace.

2. Promotion

Communicating a product's benefits to customers is a significant aspect of any marketing mix. Even if a product is the best in its class, a company must communicate the value to customers, or it will fail. This is what promotion does. Promotions must have a goal, a budget, a strategy, and an outcome to measure.

- **Promotion** is the process of **communicating value** to customers in a way that encourages them to purchase the good or service.

Some typical forms of promotion are advertising, social media, public relations, direct mail, sales promotions, and personal selling.

Advertising is a form of **mass communication that allows companies to reach a broad audience** through TV, radio, newspaper, Internet, magazines, and outdoor ads. Many of these media can be quite expensive for small companies, forcing them to choose one strategy, or to opt for other less expensive tactics such as guerrilla marketing or viral marketing (which will be addressed in Marketing Techniques and Tools for Entrepreneurs).

Social media is a must-use tool for entrepreneurs to connect with consumers, especially younger demographics. Many customers can be found online in one social media platform or another. The goal is to find the customers who fit your target market. The benefits of social media include targeting customers more accurately using the platform of their choice and being able to communicate directly with them. These platforms include networking sites such as Facebook, Twitter, and LinkedIn; photo and video sites such as Snapchat, Instagram, and Pinterest; blogs; and news sites. A business must find the time to connect with its customers wherever they are.

You may benefit from buying ads that can be geographically targeted to your customer and that are more affordable and effective because you're directly targeting someone who is specifically interested in your product. The disadvantages of targeting social media include the time and skills required.

Public relations are the efforts and tools companies use to **connect and develop goodwill with their constituents**. Constituents can include customers, investors, employees, business partners, government entities, and the community at large. The goal is to highlight the company in a positive light by contributing as a community player. Tools can include newsletters, press conferences, community service, events, sponsorships, press releases, articles, and stories that help entrepreneurs create a positive image about their company and get its name out there.

Direct mail, which is a way to connect to consumers via email or through printed, mailed pieces, is also a necessary tool to keep in touch with customers, especially when creating long-term relationships. The advantage of this strategy lies in connecting to a customer who is already interested in your product and would like to receive news and promotions from you; however, the disadvantage is that it usually takes time to create these lists of customers and their details.

Sales promotions are **incentives that attract attention** and push the customer to take action. These incentives include discounts, samples, rebates, rewards programs, gifts, and premiums. Sales promotions can attract new customers, but it may also reduce profits because coupons and discounts are offered for trying a product.

Personal selling is a tool that uses **face-to-face interactions** to communicate and influence a customer to make a purchase. It is especially suited for luxury goods. Usually, higher-priced products will need a longer selling process, and sales personnel will need more training on the product to learn about its unique qualities. This is one of the most expensive ways to reach and retain customers, but it can be worth the investment.

Overall, a good entrepreneur must find the right mix of marketing communications to reach customers. This will vary depending on the start-up's budget, goals, and strategies. Table 8.2 identifies the advantages and disadvantages of each, as they relate to small and new businesses.

Promotion Type	Examples	Advantages	Disadvantages
Advertising	<ul style="list-style-type: none"> • TV ads • Radio spots • Newspaper and magazine spreads • Internet ads • Billboards 	<ul style="list-style-type: none"> • Can reach a mass audience • Great for creating brand recognition • Increased sales 	<ul style="list-style-type: none"> • Can be expensive • Access can be limited • Some targeting is possible, but it is impossible to fully control who sees the ad
Public Relations	<ul style="list-style-type: none"> • Sponsoring community events • Charitable and civic involvement • Scholarships and grants • Press conferences 	<ul style="list-style-type: none"> • Develops positive brand recognition • Creates goodwill toward company and brand within the community 	<ul style="list-style-type: none"> • Big events and public relations campaigns can be resource intensive • Not focused on generating sales
Social Media	<ul style="list-style-type: none"> • Social networking sites such as SnapChat, Twitter, and Facebook • Blogs and vlogs 	<ul style="list-style-type: none"> • Pervasive and inexpensive access to massive audiences • Target markets are highly customizable 	<ul style="list-style-type: none"> • Many companies use social media, so it is hard to stand out from the crowd • Can be time-consuming • Success requires dedicated personnel with special expertise

Promotion Type	Examples	Advantages	Disadvantages
	<ul style="list-style-type: none"> Influencers (industry experts who act as advocates) 	<p>based on available data</p> <ul style="list-style-type: none"> Easy access to young people Can be used to create goodwill and a loyal fan base 	<ul style="list-style-type: none"> It is often difficult to track conversion (customers taking a desired action, such as a purchase) and sales numbers Requires the creation of unique/engaging content
Direct Mail	<ul style="list-style-type: none"> Mailed letters, marketing flyers, postcards, and coupons Email newsletters 	<ul style="list-style-type: none"> Subscribers are already interested in your product and thus more likely to convert to paying customers Keeps already interested consumers up-to-date on product news, sales, product releases Can target market based on location, average income, and other census-derived information 	<ul style="list-style-type: none"> Building an email list of interested customers can take time Direct mail campaigns can be expensive Results cannot be precisely tracked Consumers often discard physical and digital “junk mail” without looking at it
Sales Promotions	<ul style="list-style-type: none"> Sales Limited-time offers Coupons Free samples Rewards programs 	<ul style="list-style-type: none"> Incentivizes buying and encourages consumers to take action Appeals to consumers’ desire to “get a deal” A good way to attract new and reluctant buyers 	<ul style="list-style-type: none"> Reduces profits in exchange for promotion The promise of future sales and discounts can discourage regular buying
Personal Selling	<ul style="list-style-type: none"> Sales meetings 	<ul style="list-style-type: none"> Personalizes the relationship 	<ul style="list-style-type: none"> Can be resource intensive

Promotion Type	Examples	Advantages	Disadvantages
	between a salesperson and a potential customer	between the business and the customer <ul style="list-style-type: none"> • Effective salespeople can convert reluctant parties into paying customers • Salespeople can customize purchase options for each buyer 	<ul style="list-style-type: none"> • Requires salespeople who are well-trained and effective • Consumers are turned off by sales tactics they perceive as aggressive • Requires constant lead generation

3. Price

One of the most important and challenging elements of the marketing mix is pricing.

- **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. Correctly pricing your product enables your start-up to be competitive while maximizing your product's profit potential.

While pricing must be established when starting a new business, pricing strategies should be reviewed on an ongoing basis. These occasions in particular merit consideration:

- When adding a new product or service to your offerings
- When demand shifts (due to market, consumer, or other factors)
- When entering a new market
- When competitors are making changes
- When your costs are changing
- When adjusting products/services or strategies

Here are several **methods that entrepreneurs can use to effectively price products**:

- 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.

- Customer led pricing**

The 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.

iii. Premium Pricing (Perceived value pricing)

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.

iv. Penetration Pricing

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.

v. Loss leader pricing

Uses a **below-standard price** to attract business in the hope that customers will stay and shop for other more profitable products. It is called a loss leader because companies lose money on the lower-priced product. Grocery store ads usually contain several loss leaders that are designed to lure you into their store in the hopes that you do the rest of your food shopping there.

vi. Introductory offers pricing

Use **lower initial prices to attract new customers** and build-customer base before prices return to "normal."

vii. Skimming pricing

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.

viii. Bundling Pricing

A discount price is **set for a bundle of products** to encourage customers to buy in bulk.

ix. Odd numbers pricing

Is a psychological pricing strategy often used in conjunction with other pricing methods to make a product's price point more attractive to consumer. 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.

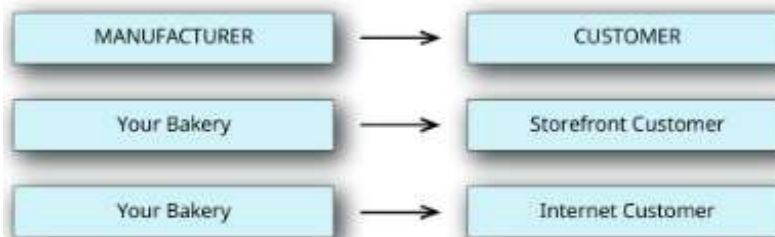
4. Place

Place refers to the **channels or locations-physical or digital** where customers can purchase products: It is sometimes called distribution. For the entrepreneur, the choice of place lies in figuring out which channel: will create the most profit.

In other words, which channels will reach the majority of the target market at the most efficient cost. Choosing the right distribution channels is one way to create competitive advantage and generate more success for your business.

Certain channels have specific capabilities such as teaching more customers, providing promotions, and providing credit.

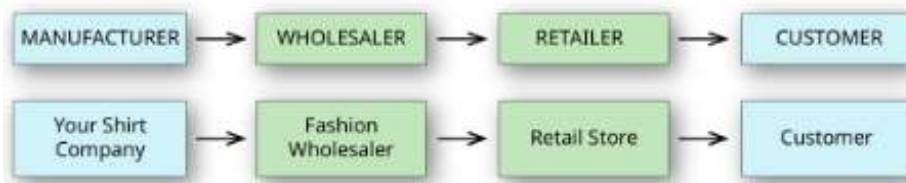
DIRECT CHANNEL



INDIRECT CHANNEL



INDIRECT CHANNEL



5. People

People, or a company's human resources, will always be a key factor in any successful business. Because the service is the product, they are the face of the brand and a direct link between the company and the customer.

- When an employee delivers an acceptable or outstanding service, customers are encouraged to return to purchase the service again and also share their positive experience with others.

6. Physical Environment

The physical environment **where a service is provided** is an important part of the marketing mix.

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-decor, smell, music, temperature, colors send an immediate message to customers about quality and professionalism.

Since a service cannot be inspected before it is received cues help customers make their decisions.

7. Process

Process is the chain of procedures or activities required to provide a service to the customer.

It is **all of the activities that take place between the service provider and the customer**, from beginning to end. In the case of services that are provided online, process includes the website's design and functionality, and all of the steps customers take from browsing through check out.

EXTRAS

Differences between Traditional marketing and 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

Marketing Techniques and Tools for Entrepreneurs

One of the hardest facts for entrepreneurs to absorb when starting a new business is that financial and human resources are limited. Fortunately, there are many marketing techniques available to entrepreneurs that require little more than a good dose of "sweat equity".

- Marketing techniques entrepreneurs can use are guerilla, relationship, expeditionary, real-time, viral, digital, word-of-mouth.

1. Guerilla Marketing

Guerrilla marketing refers to creative approaches to marketing that seek to gain maximum exposure through **unconventional means**. Guerilla marketing often means staging some sort of event or interaction that is designed to attract attention to a brand or product. The goal is to intrigue consumers by standing out from normal sales messages and the thousands of advertisements they are exposed to every day. These approaches usually have a component that encourages potential customers to interact with a company or product in a fun way.

An example of guerrilla marketing that has been prominent over the last few years is flash mobs. A flash mob is a gathering of people at a public place to perform an act, be it a dance, entertainment, political stance, or some sort of artistic expression that conveys a message to the public for a brief period of time.

2. Relationship Marketing

Relationship marketing seeks to create customer loyalty **through personal interactions and long-term engagement strategies**. A small company can try to have a closer relationship with clients by writing personal notes by hand or sending an email thanking them for their business, by acknowledging their presence by their first or last name when they come into the establishment, by offering beverages, and by offering other personalized services.

- One of the main differences between start-up companies and established brands is the need for start-ups to nurture and maintain relationships with new customers. One way to accomplish this is through relationship marketing

3. Expeditionary Marketing

Expeditionary marketing refers to strategies that are aimed at moving established companies and their products into new markets and territories. As the name implies, there is an element of risk and discovery involved in expeditionary marketing strategies as they help a company grow into new areas. Determining where and how to effectively enter these new markets often begins with an analysis of a company's current market and its financial and human resources. Entrepreneurs will choose new markets based on where those resources might be able to fulfill an unmet need. Many small businesses need to leverage their gains as they move into new waters and perhaps more competitive landscapes. Having awareness of changes can foster planning and look for new ways to expand.

4. Real-time Marketing

Real-time marketing attempts to turn immediately available sales data (often collected from social media, websites, point-of-sale systems, and the like) into actionable and timely strategies that target the shifting landscape of consumer tastes and trends. Some of the tools entrepreneurs can use to secure information include analytics from Facebook, Twitter, and Google, as well as internal sales data.

5. Viral Marketing

Viral marketing is a technique that uses engaging content in the hopes that viewers will share it on their personal and social media networks. Successful content then spreads like a virus, creating exponential exposure to a company's message.

- The most important element of any viral marketing campaign is developing content that is not only engaging but that people also feel must be shared.

Viral marketers often create a lot of content that does not go viral before finding content that does.

6. Digital Marketing

Digital marketing refers collectively to all digital (online) marketing effects, which can include social media, email communications, websites, blogs and vlogs, and search engine optimization (SEO). This is an important area for entrepreneurs to explore because learning how to leverage digital channels and online analytics is key to remaining competitive in this technological era.

Digital ad spending has outpaced television ad spending in recent years. Digital ads include display ads, search ads, and social media ads.

- These can be very successful at targeting specific people in your target market and are usually more affordable than a TV ad.

7. Word-of-mouth Marketing

Word-of-mouth (WOM) marketing occurs when a satisfied customer tells others about their positive experience with a good or service. Although similar to viral marketing, WOM does not involve active participation from the marketer and almost exclusively involves only customers, whereas viral marketing attempts to build awareness and buzz mostly via videos or email.

- When consumers are very happy with their purchases, they will let people know, whether it is in person or on social media.

Summary on Marketing Techniques

Marketing Technique	Description	Example
Guerilla marketing	Aims to gain maximum exposure through unconventional means	Events, such as flash mobs
Relationship marketing	Creates customer loyalty through personal interaction	Personalized communication to individual customer
Expeditionary marketing	Strives to move established companies and products into new markets	Pivots that create new products or attract new markets
Real-time marketing	Seeks to turn immediately available sales data into actionable and timely strategies that target the shifting landscape of consumer tastes and trends	Analyzing clicks or “likes” and modifying posts/offers in response
Viral marketing	Uses engaging content in the hopes that viewers will share it on personal and social media networks	Subtle branding embedded in stories users want to share
Digital marketing	Uses online marketing strategies	Online ads and use of search engine optimization (SEO)
Word-of-mouth (WOM) marketing	Relies on satisfied customers telling others about their positive experience	Online customer reviews

ENTREPRENEURIAL BRANDING

In a business context, the word brand has multiple meanings.

- First, a brand name is the **name of a product or service** offered by a company.
- Brand also means the **image** a company promotes and the connotations it fosters of itself and its products.
- A logo, advertising messages, public perception, celebrity endorsements, promotional strategies, and other factors all play a part in promoting a company's particular brand.

Brand

A **brand** is the set of expectations, memories, stories and relationships that taken together, account for a consumer's decision to choose one product or service over another.

A brand is a name, sign, symbol, design, or combination of these elements intended to identify the products or services of one marketer and to differentiate them from those of the competition.

Therefore: **Branding** is the marketing practice of **creating name, symbol or design** that identifies and differentiates a product from other products.

- An effective brand strategy gives you a major edge in increasingly competitive markets.

Importance of Branding

1. Influencing purchasing decisions.

Branding can be the deciding factor for consumers when they make a purchase decision. In fact, a 2021 Razorfish study found that 82% of surveyed consumers buy from brands that stand for a greater mission or purpose.

2. Creates an identity for your business.

A brand extends beyond business product or service. Branding gives your business an identity. It gives consumers something to relate to and connect with beyond the product or service they're actually purchasing

3. Helps customers remember your business.

Branding makes your business memorable. It's the face of your business and helps consumers distinguish your business across every medium.

4. Boosts advertising and marketing

Branding supports your marketing and advertising efforts. It helps your promotion pack that extra punch with added recognition and impact.

5. Builds employee support

Branding brings your employees pride. Strong branding brings in strong employees

Important Elements of brand identity

1. Wordmark or Logo

A logo or wordmark is one of the primary elements of an organization's brand identity. The **logo** refers to a graphical symbol and wordmark is simply the name of the company that utilizes a distinct text-only typographic treatment.

A few examples include well-known brands such as FedEx, Mobil, CNN, and Coca-Cola.

2. Corporate Font

You need to decide which fonts you want to use on your website and on your other marketing collateral, in many cases, your brand design agency will select a typeface from the logo itself.

3. Shape and Form

Another important aspect of brand identity is the shape and form of different elements that represent your brand. If your logo comprises soft edges and circles then people will react differently to it compared to when they see a logo that is square and sharp.

4. Theme Lines/Tag Lines

Tag lines or theme lines help in easily identifying the brand. If the theme line becomes popular, it becomes part of brand identity and people tend to remember them for long.

Element of Branding

- 1. Aroma:** The distinct smell which the user experiences before, during, or after he uses the offering.
- 2. Sound:** The sound used in the marketing messages to reinforce the brand identity.
- 3. Vision:** The group of goals or objective behind the brand that help guide its activities and its future.
- 4. Colour:** A colour mostly used by the business in its marketing messages to describe or complement the brand.

Types of Branding

1. Product branding

Product branding is one of the most common types of branding where the offering is given an identity and a personality to make it identifiable and differentiable in the market.

An example of product branding could be Mountain Dew. Mountain Dew has its own name, colour, voice and personality. One can recognize the brand even when the generic product is not even there.

2. Personal Branding

Personal branding is very common among politicians, Celebrities, athletes and other people who have niche followership. It is easier for these people to create an image for themselves among their followers.

Michael Jordan is a perfect example of personal branding who, because of his niche followership, was not only able to benefit himself by launching his own apparel line but also benefited Nike which partnered with him to launch the same.

3. Corporate Branding

Corporate Branding gives an identity to the offering provider and opens new opportunities for him to extend his offerings portfolio easily.

Corporate branding is also of vital importance when it comes to hiring as employees always desire to work with a company with a known brand.

PepsiCo is a good example of corporate branding. The company has several products lines in its product mix including Frito-Lay, Pepsi, Diet Pepsi, Mountain Dew, Gatorade, Tropicana, etc, all of which are owned and operated by the parent brand - PepsiCo.

4. Geographical Branding

Geographical or regional branding is often used by the tourism industry who create a brand out of a geographical location by assigning it certain characteristics and experience to attract more visitors.

For example, Hawaii is being marketed as the perfect destination to visit if you want to go to beautiful islands lined with beaches of warm white and verdant, and flora.

Next Session

INNOVATION

How much of innovation is inspiration, and how much is hard work?

innovation is the specific function of entrepreneurship, whether in an existing business a public service institution or a new venture started by a lone individual in the family kitchen.

It is the means by which the entrepreneur either creates new wealth-producing resources or endows existing resources with enhanced potential for creating wealth