Introduction to Entrepreneurial Marketing

Week 3

Rabia Zia

rabia.zia@nu.edu.pk

What is Marketing?

- Marketing is the process of identifying, creating, communicating, and delivering value to satisfy customer needs while building and maintaining relationships with them.

- It involves strategies and techniques to attract, retain, and engage customers while achieving business objectives.

Key Aspects of Marketing

- Customer-Centric: Focuses on understanding and fulfilling customer needs.

- Value Creation: Develops and delivers products/services that provide solutions.

- Communication: Uses advertising, branding, and promotions to inform customers.

- Exchange Process: Facilitates transactions between businesses and customers.

- Relationship Building: Encourages long-term engagement and brand loyalty.

What is Marketing?

In short,

Marketing is the big-picture plan to connect a product, service, or idea with the right people. It's not just about ads—it's about understanding what customers need, creating something valuable, pricing it fairly, making it easy to find, and telling people why they'll love it.

What Makes Marketing Different for Startups?

1. Startups prioritize acquiring first customers, while established businesses focus on retaining existing ones.

2. Limited budgets lead startups to use creative and low-cost marketing strategies.

3. Startups build brand identity from scratch, whereas established businesses maintain existing brand equity.

4. Agility & Experimentation: Startups adapt faster to market feedback and changes.

- Examples

| Feature	Airbnb (Startup)	Hilton (Established Brand)
Budget	Low-cost	High-cost
Growth Strategy	Viral referrals	Large-scale advertising
Marketing Focus	Word-of-mouth, digital	Brand image, loyalty programs
Customer Acquisition	Incentives & social sharing	Traditional ads, business partnerships

The Seven Steps Marketing Process

1. **Identify Customer Needs:** Understand what customers want and need.

2. **Develop Products/Services:** Create offerings to meet those needs.

3. **Set Pricing Strategies:** Balance affordability and profitability.

4. **Promote Offerings:** Use advertising and communication strategies to inform customers.

5. **Deliver Efficiently:** Ensure timely and convenient delivery.

6. **Ensure Satisfaction:** Focus on after-sales service and support.

7. **Build Long-Term Relationships:** Encourage loyalty and repeat business.

- Example:Netflix focuses on personalized recommendations to meet customer needs while building long-term relationships through subscriptions.

Step	Explanation	Example
1. Identify Customer Needs	Understand what customers truly want or struggle with. Use surveys, focus groups, social listening, and data analytics.	**Netflix** identified the demand for ad-free, on-demand entertainment. **Tesla** recognized the need for sustainable luxury vehicles. **Startup Example:** A meal-kit startup finds that busy parents want healthy, pre-portioned meals that take <30 minutes to cook.
2. Develop Products/Services	Create solutions that directly address identified needs. Balance innovation with practicality.	**Dyson** developed bagless vacuums after noticing frustration with clogged filters. **Zoom** built a user-friendly video platform for remote workers struggling with Skype. **Startup Example:** A skincare brand formulates acne-friendly makeup after learning customers avoid heavy foundations.
3. Set Pricing Strategies	Price offerings to reflect value, cover costs, and stay competitive. Utilize pricing models such as freemium, value-based, or subscription pricing.	**Apple** uses premium pricing to position iPhones as status symbols. **Costco** employs value-based bulk discounts. **Startup Example:** A SaaS tool offers tiered pricing: $10/month for basic features, $50/month for advanced analytics.

4. Promote Offerings	Communicate value to the target audience through social media, influencers, content marketing, and ads.	**Old Spice** rebranded with humorous ads to appeal to younger buyers. **Coca-Cola's "Share a Coke" campaign** personalized bottles to drive social media buzz. **Startup Example:** A sustainable fashion brand partners with eco-influencers to showcase its carbon-neutral supply chain.
5. Deliver Efficiently	Ensure products/services reach customers conveniently and reliably through multiple distribution channels.	**Amazon Prime** set a new standard for fast e-commerce shipping with 2-day delivery. **Domino's Pizza Tracker** reduces anxiety by letting customers monitor orders in real-time. **Startup Example:** A coffee subscription service partners with local roasters for same-day delivery in major cities.
6. Ensure Satisfaction	Exceed expectations post-purchase to build trust and reduce churn through loyalty programs, surveys, and support.	**Zappos** offers 365-day returns and 24/7 customer support. **Nordstrom** provides hassle-free returns and personal stylists. **Startup Example:** A SaaS company provides free onboarding webinars to help users master its software.
7. Build Long-Term Relationships	Turn satisfied customers into repeat buyers and brand advocates through rewa‍ personalized engagement, and	**Starbucks Rewards** gamifies purchases with points, free drinks, and exclusive offers. **Nike Run Club** builds a global fitness community. **Startup Example:** A pet food brand launches a

Understanding Customers & Competitors
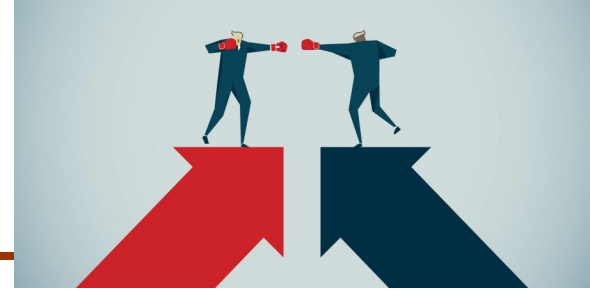
1. Understanding Customers

- Psychological Factors: Internal mental processes that shape buying behavior.

  - Motivation (Why people buy)
  - Example: Nike's "Just Do It" slogan taps into the desire for achievement and self-improvement.

  - Perception (How people view your brand)
  - Example: Apple's minimalist design is perceived as innovative and high-status.

  - Attitudes (Beliefs influencing decisions)
  - Example: Patagonia's eco-friendly ethos attracts environmentally conscious shoppers.

Understanding Customers & Competitors

1. Understanding Customers

- Sociocultural Influences: External social and cultural forces affecting choices.

  - Social Class (Income/status)
  - Example: Rolex targets affluent buyers with luxury timepieces.

  - Culture (Traditions/values)
  - Example: McDonald's offers McAloo Tikki burgers in India to align with local tastes.

  - Peer Groups (Social circles)
  - Example: TikTok trends drive Gen Z to buy viral products like CeraVe moisturizer.

Understanding Customers & Competitors

1. Understanding Customers

- Situational Factors: Immediate circumstances impacting purchases.

  - Time/Environment (When/where)
  - Example: Coca-Cola's summer ads emphasize refreshment during hot months.

  - Buying Context (Urgency/purpose)
  - Example: Instacart targets busy parents needing quick grocery delivery.

Understanding Customers & Competitors

- Competitive Analysis: Assess strengths, weaknesses, and unique selling propositions (USPs).

  1. Strengths/Weaknesses
     Example: Tesla's strength is cutting-edge tech; weakness is high prices.

  2. USPs (Unique Selling Propositions): It describes what makes a product or service stand out from its competitors.
     Example: Apple's USP is seamless ecosystem integration; Samsung offers diverse price points (budget to flagship).

Segmentation, Targeting, & Positioning (STP) for Startups

1. Segmentation

• Dividing a broad market into smaller groups with shared characteristics.

• Criteria

- Demographics: Age, income, gender (e.g., luxury skincare for women aged 30-50).

- Behavior: Purchasing habits or product usage (e.g., frequent travelers vs. occasional).

- Geography: Location-based needs (e.g., winter gear for Canadians).

- Example

- Spotify segments users by listening behavior: "Workout playlists" for fitness enthusiasts, "Study focus" for students.

Startup Tip: Focus on specific, measurable traits (e.g., "urban millennials who bike to work").

Segmentation, Targeting, & Positioning (STP) for Startups

2. Targeting

- Choosing the most promising segment(s) to serve.

- Why Niche Markets? Startups lack resources to target everyone.

    - Example

    - Tesla initially targeted tech enthusiasts (early adopters of EVs) and environmentalists (concerned about emissions).

    - Glossier targeted millennial women seeking minimalist, Instagram-friendly makeup.

    Startup Tip: Ask: "Who needs our solution most urgently?"

Segmentation, Targeting, & Positioning (STP) for Startups

3. Positioning

- Crafting a unique brand image that sets you apart from competitors in the eyes of the customer.

  - Example
  - Subway vs. McDonald's
  - Subway: "Eat Fresh" → positions as healthier fast food.
  - McDonald's: "I'm Lovin' It" → emphasizes convenience and indulgence.

  Startup Tip: Highlight one clear benefit your competitors ignore (e.g., sustainability, speed, personalization).

STP Class Activity

Launch Your Product or Services

Objective: Apply STP to a fictional product or Service.

Time: 25 minutes

Tasks

- Choose a real product idea.

- Segmentation: Identify 3 potential customer segments.

- Targeting: Choose one segment to prioritize.

- Positioning: Create a tagline and USP.

- Present: Groups pitch their STP in class.

- Example: GlowBite – Glow-in-the-Dark Toothpaste, PetPal – AI-Powered Translator for Pets

THA
NK
YOU