

PGD in Grant Management Module FOUR (4) Assignment

Institute: AFRICA CENTRE FOR PROJECT MANAGEMENT

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1. What is pay-per-click advertising? What factors have to be considered when advertising in this way?

What is Pay-Per-Click (PPC)?

A PPC campaign is a well-defined advertising strategy that sets out to achieve a specific goal, known as a conversion. The most common conversion goals include generating more leads and getting customers to make a purchase. Advertisers must select keywords – user search queries - and create ads with these keywords to ensure their ads perform well in search engine results pages. Your ad can show on the search network when someone searches for terms that are similar to your products and services. You can set up a PPC campaign on advertising platforms, using these dedicated systems to create, publish, and promote your ads to a specific target audience. (Pay Per Click expo available online <https://ppcexpo.com/ppc>)

How does PPC work? Advertisers pay a set fee every time internet users click on a PPC ad. hence the term pay-per-click. Essentially, advertisers pay for site visits instead of attracting clicks through organic traffic. This cost-per-click (CPC) can rise or fall depending on various factors in your campaign.

Factors to consider when doing pay per click advertising.

There are key factors and very important parts in PPC marketing that many business owners neglect or overlook that are vital to generating high quality ads and campaigns. No matter how big your business is, if you are going to incorporate PPC advertising in your marketing strategy, it's important that you understand what factors play into the success of a campaign. This will help companies or nonprofits to set appropriate goals and expectations, and make adjustments that truly lead to success that generate favorable and profitable results for the nonprofits

General factors to be considered.

Below are four key factors that can affect how often your ads are shown, and how effective they are in reaching your goal:

- Keyword and Ad Relevance

Make sure that you have selected **keywords** and ad **language** with your **target audience** in mind. For Google Search Ads, there needs to be a close, obvious connection between the keywords you're targeting and the copy of your ad.

- Landing Page

Although we've largely discussed the nature of your PPC ads, perhaps even more important is where these ads **direct traffic**. Your landing pages need to be optimized to be clearly related to the ad and have a direct and relevant call **to action**. In our mobile-first world, these also need to be optimized for a **variety of devices**!

- Quality Score

Although this particular factor is unique to Google Ads, it deserves to be highlighted. This score is Google's rating of the quality and relevance of all of the parts of your campaign: keywords, ad copy, landing pages, etc. The better your quality score, the more ad clicks you can get, at lower costs. It pays to play by the rules here!

- Budget

Not only do you need to consider **your own budget**, but also the **potential budgets of your competitors**. This is especially true whenever there is bidding involved in the ad display process. For example, on Google Ads, keywords cost more or less depending upon the demand for them. Highly valuable keywords in your industry may have a high cost-per-click; if your biggest competitor has a large budget, they might outbid you at every turn. (A beginner's Guide to Pay Per Click. Available online at: <https://farotech.com/blog/how-does-ppc-work-a-beginners-guide-to-pay-per-click/>)

Specific factors to be considered.

There are two primary methods of PPC advertising: flat rate and bid based.

Factors for flat rate.

- Ability to generate best contents that attracts more visitors to the site in order for more clicks or search to be made at the site.

Factors for bid based.

- Availability of potential advertisers for a competitive bidding process.
- Experience of potential bidders to develop marketable key words for searching.

2. What is distinctive about how communication takes place in social media?

- *Provided the Ability to Broadcast Moments Live.*

Social media live (Facebook live) began as a way to innocently share even more with your friends, but then it became increasingly used for serious matters. Besides changing the way, we communicate major events through video, Facebook and Instagram Live have also opened up new marketing potential for universities.

- *Provided an Inside Perspective of Faraway Places.*

Social media allows people to connect with anybody on the social media irrespective of location, religion, race etc. there by opening up the whole world to a single user. Social media has enabled people from all over the world to share their story. Besides the internet essentially connecting the world, Snapchat was the first to really give people an inside perspective of foreign places. With the addition of live story streams and Story Explorer, users are able to get a peek of what life in other cities, states, and countries is like.

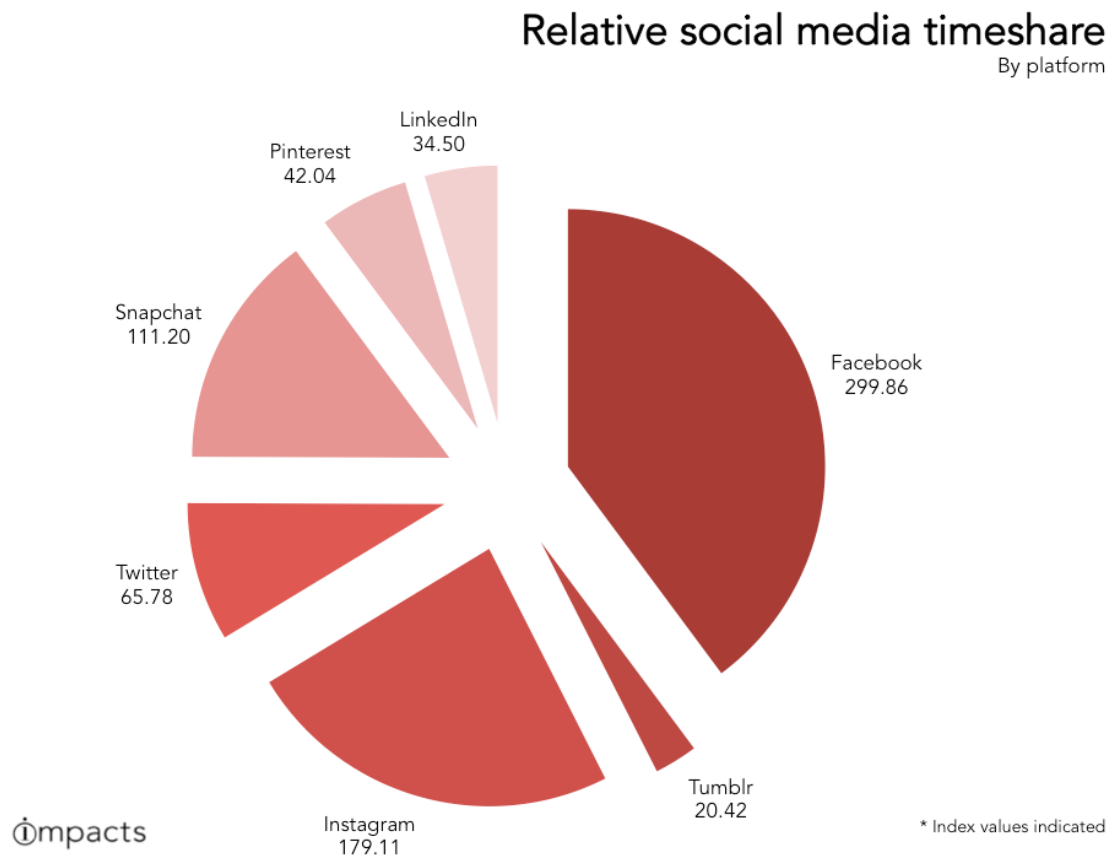
- *Created a Sense of Urgency and a Need to Share.*

Social media communication can be instant, by reading the information of pages, or talking to a helper or getting immediate feedback. Social media platforms like Facebook and Twitter have manifested the need to constantly broadcast our lives on the internet. In basic communication, humans transmit information and receive instant feedback. The integration of texting, messaging and emailing, however, has enabled senders and receivers to sit and dwell before responding.

3. b Explain the primary social media channels a nonprofit would be likely to use?

Around 3.7 billion people are now using the Internet all over the world and the trend is still growing (Worldometers, 2017). Proportionally, the number of social media platforms is increasing. According to Facebook's own data, the social network has 1.94 billion monthly active users as of March 31, 2017 (Facebook Newsroom, 2017). Instagram counts 700 million active users as of April 31, 2017 (Constine, 2017a) and Twitter 328 million monthly active users (Statista, 2017a). Ignoring these numbers would be fatal. For this reason, social media marketing (SMM) is of great importance. Businesses must face the ever-changing challenges of Web 2.0, and must constantly rethink social media requirements. Therefore, it is important to align SMM with the nonprofit objectives and to incorporate it accordingly into the communication policy so it can become a solid part of a nonprofit marketing management process. These depends on;

- 1) The platforms on which the most people (or certain target audiences) spend the most time.
- 2) The platforms upon which an organization can most effectively engage audiences in its mission and experiences, and maintain a consistent presence.



Adopted from: Colleendilen Schneider (2018). Know Your Own Bone. DATA & ANALYSIS. Which Social Media Platforms Are Most Important for Organizations? (DATA UPDATE) Available at: <https://www.colleendilen.com/2018/10/24/social-media-platforms-important-organizations-data-update/>

- **Google Ads**

As the front door to the online world, Google is the dominant force in paid advertising, owning almost 80% of the market share. You can use the Google Display or Search

Network to post your PPC ads, which will reach more people on Google compared to any other platform.

Google+ was launched in the year 2011 and gained a total of 500 million users, at least 200 million of these are active. Unlike the other social networking sites, this service stretches its reach even to the other platforms provided by Google. With its unique feature that uses circles to group connections, you can share updates to specific people whom you know will be interested about it.

Signing up for Google+ can benefit your nonprofit in sharing news to certain groups only. If you have important donors or new volunteers or even charitable institutions that you wish to inform on a specific update, then form those circles and avoid sharing general posts. You can also start a hangout and talk to your friends online. Encourage them through live video chat and let them know how grateful your nonprofit would be if they'd be a part of it.

- *Bing*

While overshadowed by Google, Bing is far from dead, powering almost 60 million searches each month in the U.S. alone. Bing is a great choice for small and medium-sized businesses, or if your company is based in the Google-free territories of East Asia, China and Japan.

Marketers can also advertise on Amazon, LinkedIn, and interestingly, Snapchat. However, if you really want to make a splash with paid advertising on social media, consider these platforms; (Pay Per Click expo available online <https://ppcexpo.com/ppc>)

- *Facebook*

Who wouldn't recognize the social site that has already gained 1 billion active users? Facebook has made a huge success for the past years making it a top choice for

communication by people and businesses. With its continuous development, many users are being provided with easier and faster way of interacting with their friends.

Creating a Facebook page for your organization will help you reach larger audience. Share updates, links, photos, and even videos of what you've been up too. Encourage your online friends or fans to take part in your cause.

Host online contests like photo or page shares and gain more funds to continue your fundraising activities. You can also develop an application on this media channel and use it to attract more donors. An example could be an interactive game wherein players can give credits as donations in exchange for a special item.

- *Pinterest*

They say that pictures speak louder than words and this is what Pinterest has proven. This photo sharing website that uses a pin board-style layout has been added to the list of popular social networking channels. It has even been recorded that Pinterest drives more traffic than Twitter does which is something that businesses would love to know.

As for your nonprofit, being a part of Pinterest is a good move to let users view photos of your organization. You can upload pins related to your past or current activities. Images that would show how volunteers help for a cause could encourage others to take part too. Add up different boards and share pins that will make your fundraising activities more engaging and interesting.

You can create specific boards for your upcoming campaigns. Label each according to the cause or name of your activity, and then include creative photos of the event. If you're hosting a photo or art contest, then you can do the same thing.

- *Twitter.*

When you register your nonprofit on Twitter, you can tweet quick updates about your nonprofit's activities. You can spread news, ask for donations or volunteers, and even let others know how they could help your cause.

- *Instagram*

Instagram is perceived as the most emotionally social media channel. This is mainly due to the fact that it is associated with photos, which are perceived primarily as emotional contributions. This is particularly evident since the photo- and video-sharing community was allocated as beautiful, imposing or aesthetically pleasing much more frequently due to the contribution photos. At the same time, this results in a higher demand for the quality of the uploaded images. The text, on the other hand, plays a subordinate role, but lives from hashtags and @mentions (the linking of other accounts). Instagram is clearly marked by the community, which separates it from Facebook and Twitter. This social media channel is often used as a staging facility, as a virtual "perfect world". Young female users are more likely to be presented, which makes Instagram an inspiration source for fashion and lifestyle. As a result, the content of Instagram is much more aesthetic and artistic compared to Facebook and Twitter. This is the main reason why content is often used in sports, cooking, fashion, music and photography. Moreover, Instagram is prioritized and used more intensively by a young user group. Companies are well aware of this situation. Instagram serves as a new and interesting "marketing tool" which could be effective especially within a young target group. The strengths are as mentioned above in creative content marketing – primarily storytelling. As a result, Instagram is less understood and used as a direct-advertising medium, but as a creative, inspiring and emotional stage for a brand. This understanding is positively accepted by active Instagram users. Thus the active users identify themselves with the company contributions much more, since those are understood as "indirect", thus less advertising. On the one hand, this is due to the more creative and innovative posts, which differ from Facebook and Twitter contributions. On the other hand, the Instagram community is much easier to use as a brand ambassador, which makes the content more credible than ready-made marketing messages and corporate propaganda (Brown and Hayes, 2008).

In contrast to Facebook and Twitter, Instagram lacks an important function from the corporate and

- *YouTube*

You may notice that YouTube is not included in the above chart, and it has a significant number of users who spend a great deal of time watching videos. The reason for this is that – while technically a social media channel – YouTube is often primarily used as a platform for watching video as opposed to a channel for interaction like the others included here. Thus, it's used differently than the others and often hosts the embedded content that gets shared on Facebook, Twitter, Pinterest, and other platforms. YouTube is certainly an important channel and a powerful tool. YouTube is a video-sharing channel that is still one of the most visited websites. By just uploading your own video on this platform, online viewers can already watch what you wish to share. People can also vote if they like your post and the number of viewers will be recorded. Countless nonprofits have already used this site to be known by many, and some even gained success in delivering their message online like Big Brothers Big Sisters and March of Dimes. Upload a video on your latest charitable works and let YouTube users be inspired. Speak to them on what your nonprofit organization's all about through the video. Make them feel that acting as a volunteer or donor is a job that will benefit those who are in need.

Being a part of something that easily connects you with a lot of people is a great move to let your nonprofit's voice be heard. With the help of social media websites like the ones shared here, you won't have a hard time communicating and even gaining the people that will support your mission of helping others.

- *LinkedIn*

LinkedIn is a powerful Pay-Per-Click (PPC) platform where nonprofits are able to target their ads specifically to their audience based on the following criteria: Job Title. Job

Function. Industry, Geography, age, company name, company size, LinkedIn group. In the online world, LinkedIn acts as a living, breathing résumé. Your profile can have contact information, education, past work experience, current employment, certifications, awards, and even recommendations from former clients and co-workers. This abundance of work information provides a powerful targeting method for advertisers. Here are the 3 main methods for targeting LinkedIn Ads based on job titles, job function, and seniority. This LinkedInPPC.com platform was created as your go-to resource for successfully advertising which allows nonprofits to advertise in various placements throughout LinkedIn and get visitors to your website when they click your ads. (LinkedIn PPC | A Guide to PPC on LinkedIn: available on line at <http://www.linkedinppc.com/>)

4. Describe the product life cycle model. What benefits might such an analysis offer fundraisers? What difficulties or drawbacks might there be in attempting to use the model in the context of fundraising?

- *Meaning of product life cycle;*

The product life cycle is an important concept in marketing. It describes the stages a product goes through from when it was first thought of until it finally is removed from the market. Not all products reach this final stage. Some continue to grow and others rise and fall.

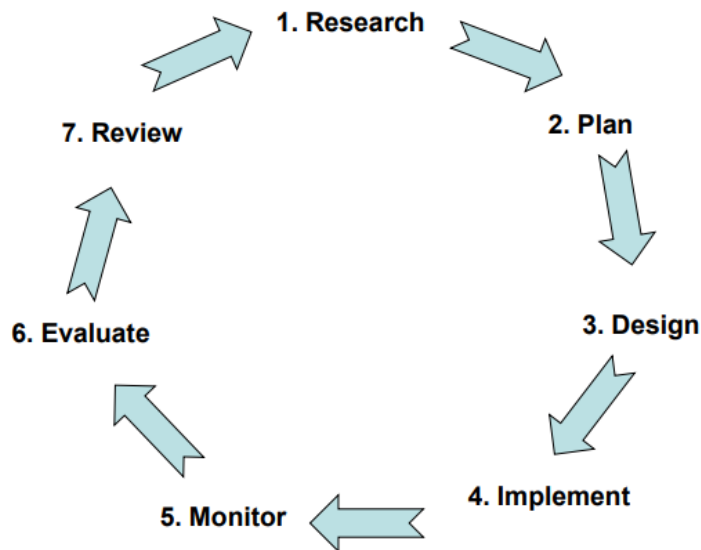
- *What Is a Product Life Cycle?*

Products, like people, have life cycles. The product life cycle is broken into four stages: introduction, growth, maturity, and decline. This concept is used by management and by marketing professionals as a factor in deciding when it is appropriate to increase advertising, reduce prices, expand to new markets, or redesign packaging.

What benefits might such an analysis offer fundraisers.

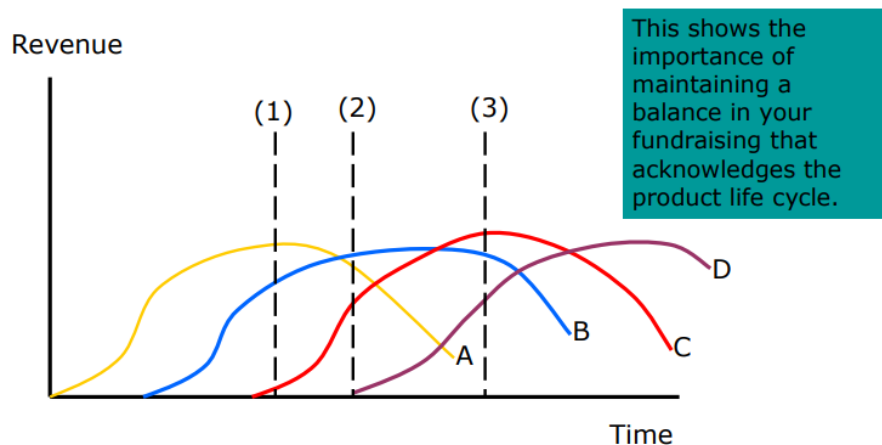
Product life cycles helps for project continuity and mix as indicated in the cycle below.

The Strategic Fundraising Cycle



Fundraising product life cycle.

The Fundraising Product Life Cycle



Fundraising product life cycle, provides a clear picture of the different projects stages, and how they are integrated. This helps the fundraisers generate competitive strategies to ensure sustainable funding sources.

Product life cycle, helps the fundraising team to generate strategic decisions at the early stage so as to overcome product barriers, and maximize the profit margin.

At early stages of the cycle product incur significant R&D, market-launch expenses and cash flows are often negative, therefore fundraiser invest capitals in to the product at early stages. Small firms typically have fewer resources; they often require outside financing, or lending to start the processes.

- 5. Fundraising audits can be undertaken by external suppliers (agency staff or consultants), or the task can be allocated to internal staff. What do you think would be the advantages and drawbacks associated with each of these approaches?**
- a) “Our objective is to enter the corporate fundraising market.” What do you think of this as a fundraising objective? In what ways might it be improved?**
 - b) Distinguish between market segmentation and product differentiation. When are these approaches typically appropriate?**

What is an Internal Audit?

An internal audit is the evaluation of all aspects of an organization by an internal auditor, i.e. one who works as an employee of the organization. He keeps tabs on the financial reporting, accounting, operations, risk management, internal controls and all other such aspects of an organization.

Advantages of Internal Audit.

- More Effective Management

One of the biggest benefits of an internal audit is that it facilitates more effective management of the organization.

The internal auditor will be able to point out any weaknesses of the organization in the operations or internal controls of the company.

So the management can use these insights to better the chances of achieving their goals.

- Ongoing Review

The process of internal audit gives the organization a unique opportunity to conduct a review of the performances in the ongoing year itself.

They do not have to wait for the end of the year to review the company's performance. This also means that if they are not on the correct path, this will help them change course and correct their mistakes immediately.

- Performances of Staff Improve

The staff of the company remains alert and active. This is because there is the fear of their mistakes being caught by the internal auditor almost immediately.

This will help improve their efficiency and performance. Also, they do not attempt to defraud the company for the same reasons. And on the other hand, it is a good morale booster for honest employees.

- Ensures Optimum Use of Resources

One other benefit of the process of internal control is that it can be used as a tool to promote the optimization of resources. It will help point out the areas in which resources are being underutilized or wasted. And then these can be corrected. It will help control the costs and expenses of the company.

- Division of Work

Internal audit helps promote the division of labor. It is important to keep a check on and observe the activities of all the departments and all of their employees. Division of labor will help in achieving this.

Disadvantages of Internal Audit

Now let us move on to the limitations of internal audit. Like every good thing has a flip side, there exist some concerns about these limitations of internal audit. Let us take a look.

- Shortage of Qualified Staff

The work of an audit requires years of study and experience. An inexperienced auditor can cause more damage than good. So usually, the company will find it somewhat difficult to find enough qualified staff members for the process of an internal audit.

- Time Lag

There will always be a time lag between accounting and auditing. Internal audit cannot begin till the accounting is complete. They cannot be done simultaneously. So if the accounting process is delayed, so is the internal audit.

- Ignorance of Management

Unlike a statutory audit, the findings of an internal audit are not published or made available to all. Their findings are only forwarded to the management. Now even if an internal audit reports points out to the shortcomings of the company or the errors in the financial statements, the management may not take corrective action. They can choose to ignore such findings and then there will be no benefit gained from the internal audit.

External Audit

Below is articulated the advantage and disadvantage of external audit,

Advantages:

- The vital advantage of an audit is that it makes it easier to compare diverse companies as the auditors articulate their judgments about the **equality of measures**. Of a company is given a good judgment then it means that it is follow the law.
- The external audit is very practical in attaining the sovereign opinion of the auditor about business condition. If the accounts are audited by a sovereign auditor, the report of the auditor will be true and fair in all respects and it will be of tremendous importance for the management of the company.
- External audit prevents the happening of any wrongdoing before it starts and the staff hence becomes more active and accountable. The fear of their getting jammed act as a moral check on the staff of the company. This is because the procedure of external audit will institute a check on the minds of the staff working in the business and they will not be able to commit any abnormality, as they will have a fear and will also be aware that the accounts will be examined in the near future and that action would be taken against them if any wrongdoing is exposed.

- The external audit assists in following positive values. It confirms to dependability and honesty of the consequences.
- The external audit can **verify the accounts** of the company to identify whether the company has fair and true accounts or there are some unfair and false accounts are there especially essentials if the internal auditor is unfaithful to the organization
- External Audit makes the owner of the nonprofit be contented about the business operations and working of its various subdivisions
- External audit process exposes errors whether committed unknowingly or consciously by the of internal audit and its attendance prevents their occurrence in the future. No one will try to commit an error or fraud as the accounts are subject to audit and hence they will have a fear of being detected.

Disadvantages:

- External audit can be expensive because the nonprofit has to pay the auditors and also guarantee that their preserve comprehensive records of all the interactions which engage a lot of expenses.
- A significant potential disadvantage of the external audit firms is the fact that an Auditor General may have more experience in auditing public sector organizations and may therefore have an audit approach that is more in line with the different objectives and values that govern these. The operations of the organizations continue to be more similar to those of national public
- External examines contributors may be secluded from the relaxed networks of the organization, putting them at a weakness when navigate the surroundings. External service providers do not offer a systematic internal recruiting ground for future senior managers.

- The education curve for external audit providers can be steep. An insufficient consideration of the organization may gravely obstruct the service provider's helpfulness
- Discretion might be violated if external individuals have access to susceptible information in rank.
- External audit to bid would likely augment the number of bids received and the diversity between these, the evaluation and selection process would become longer and possibly more complex both for the secretariat and for the Finance Committee, which may be considered a disadvantage.

Finally in conclusion, the two sets of auditors could institute a shared program of visits to the operating units to ease the burden of visiting all the entities. Internal auditors could perform intermittent or annual register reviews that external auditors could also use, thereby saving an organization external audit fees. Of course, the internal auditing contribution to the partnership must be credible for the external auditor to rely on this work.

a) "Our objective is to enter the corporate fundraising market." What do you think of this as a fundraising objective? In what ways might it be improved?

What is Corporate fundraising market?

Is defined as the gathering of financial support from commercial companies. Along with grant funding and individual fundraising, corporate fundraising is one of the foundational strategies employed by charities to fund their work.
(<https://whitefuse.com/blog/corporate-fundraising-strategy>)

As an objective, fundraising is essential for the survival and success of nonprofit and charitable organizations. In fact, fundraising campaigns are often the primary focus of these organizations because without operating capital, they can't provide the services necessary to fulfill their main goals. Before the advent of digital marketing, fundraising

was primarily focused on obtaining as many donations as possible, but outreach efforts in today's competitive environment must now focus on other equally important objective which may include;

Ways to improve corporate fundraising.

1. Be transparent with your donors

This may seem like an obvious point, but it's one that is very important. Your donors trust you to steward their money well and you must show them your follow through. By "transparent" we mean both financial and program transparency.

- Financial Transparency

To show how you're allocating your funds, make sure you give your donors an easy way to digest how you're investing their money. Create a graph, chart, infographic etc. And if it looks like you spent more in one category than expected, explain why. Your donors love your mission and giving them a peek behind the curtain creates a sense of belonging and teamwork.

- Program Transparency

This is about showing impact. Sure, donors may want to know what percentage of donations you spent on your fundraising software, how many people you've helped. Pull information from your annual report to use in your fundraising materials. Put an infographic on your website, or a field photo – anything that allows your donors to easily see the impact their giving is having.

2. Optimize your donor experience

Personalization is no longer just putting “Hey %FirstName%” in your communications. It’s about knowing what your donors’ interests are, reaching out to them when it’s right, and with the right giving amount. This is where segmenting your list comes in (and making sure you have a database that allows you to easily segment your donors). You can segment based on last gift amount, last gift date, a specific campaign – anything that gleans insight about your donors. You can then create fundraising messaging around each category.

Donor optimization also includes reaching donors in ways they’re most comfortable. Ask yourself the following questions to see if you are optimizing your donor experience. Are people giving through a mobile device? If so, think of ways how you can optimize that experience for them. In 2017, 25% of donors completed their donations on mobile devices.

Tip: Test where you place the donate button on your webpages. See whether having a donate button at the top before scrolling through text or at the bottom after you’ve explained the offer works better for your audience. Make sure your donation pages are always optimized for any device. (Good news, Kindful’s donation pages are already mobile optimized.) Are more donors giving online this year over last year? If so, how can you optimize your online fundraising efforts?

Tip: Test having one call to action (“Donate”) versus having an additional call to action (“Learn More”) on your homepage to see which drives more donations.

Can your donors give recurring monthly gifts? If so, how can you increase your monthly givers this year? And if not, think about how you can get a monthly giving program started.

Tip: Need some help optimizing your monthly giving program? No worries, we’ve got this helpful Monthly Giving Guide, for you.

3. Audit your systems

It's really hard to optimize your donor experience and increase your transparency if you don't have the right tools in place. A great practice at the beginning of the year is to audit the systems you're using. Or, if you aren't using any, now is a great time to figure out what systems will help you optimize your fundraising program. A few questions to help you with your audit: How much time are you spending in your current data systems vs how much time you are spending talking to donors? Do your systems talk to each other? For example, are you able to easily track in your database how much they gave, to what specific email, and what event? Can you easily run reports? Whether it's for board meetings or for day-to-day use, does your current system allow you to access your data and run a report quickly and easily?

There are many great tools out there. But you need a system that's a good fit for your organization. Keep your priorities in mind when you're doing your audit and choose systems that will help you grow and meet your organization's goals

Your fundraiser may be an accomplished jack-of-all-trades, but does he or she possess the specific blend of skills needed to succeed in corporate fundraising? As well as having someone with commercial acumen and an understanding of the local/regional business environment, you'll need a formidable researcher, networker, proposal writer, presenter, negotiator and project manager – as well as a creative thinker and a thick-skinned marketer. If you can tick off all of these qualities, congratulations! You appear to have a corporate fundraiser in your midst, and you're ready to go. (<https://kindful.com/blog/improve-your-fundraising-program-2/>)

4. Get everyone on board.

As talented as your fundraiser may be, his or her success will be dependent upon the support of others. Corporate fundraising is always a team sport, so it's vital that your chief executive, trustees and programme staff are enthused and involved – whether it's

by facilitating introductions, attending meetings, preparing information for proposals or speaking passionately about the charity's work at events and presentations.

5. Focus on warm prospects

When it comes to the question of which businesses to target, be sure to prioritize those that have supported you before, or where you have a connection – no matter how tenuous. Take time to review your own contacts, your chief executive's or trustees' networks and all of your suppliers and advisers. Systematically research their business, their senior personnel and their charity partners. Think carefully about the common ground, what you can offer them and who is best placed to make the initial approach. Finally, remember that cold approaches rarely bear fruit, and should be the last item on your corporate fundraiser's to-do list.

6. Ensure timescales are realistic.

If your charity's budgets are under severe pressure, corporate fundraising is unlikely to provide a swift answer to your prayers. Lucrative, strategic partnerships can take months to broker and immediate, large cash donations are rare. Be prepared to play the long game: spend time getting to know each company and its staff so that you can develop a proposition tailored to their CSR or other business objectives. This stage is crucial, but can be long and drawn out – and is often made harder by anxious trustees breathing down your neck, asking you where the big money is!

7. Develop a strong corporate product.

It's understandable if you feel rather intimidated by the prospect of working with big business, but keep reminding yourself that all companies are run by people. So the chances are, they're going to be attracted to similar aspects of your charity's work as your individual supporters are – whether it's a cataract operation, a cancer nurse or a cute

guide dog puppy. Play to your strengths by focusing your corporate offer on what the charity does best, and what differentiates you from the competition

b) Distinguish between market segmentation and product differentiation. When are these approaches typically appropriate?

Distinguish between market segmentation and product differentiation.

Market Segmentation

Market segmentation is the process brands use to divide their target market into smaller segments of people that share common characteristics to optimize their marketing, advertising and sales efforts.

Because consumers have different needs, even when shopping for the same product, it's important to know who is buying your product. This will help you plan your marketing, product development and pricing. You can sell a higher-priced version of your product with extra features in specialty stores to attract young, affluent singles, and sell another version with fewer features at a lower cost to young families or seniors. You can sell one version of your product to consumers, and another to businesses.

Product Differentiation

Product differentiation is the process of making your product or service more appealing to your target audience or consumer than other competitive products.

A small business can differentiate its product using marketing techniques, by physically changing the product or by changing the price. Using marketing, you can create a brand or image in the mind of consumers by pointing out the difference between your product and those of your competitors. For example, your advertising can show that while your product may cost the same as your competitor's, it lasts longer, making it less expensive to use. If you sell tennis shoes, you can reinforce the toes, making it a longer-lasting shoe

that appeals to frequent players who wear out their shoes. Lowering or raising the price of a product differentiates you from your competition.

When is product differentiation appropriate.

When there is a lot of competing products in the market, the increased competition has divided the demand among different players in the market. This has made it very important for businesses to make their customers understand what different they have to offer. Besides making the product survive in the market.

Product differentiation is important for the following reasons:

- Product differentiation translates the product attributes into benefits.
- It answers the biggest question of the customers – ‘What’s in for me?’.
- It gives the customers a reason to purchase the brand’s product and repeat the purchase.
- It increases the recall value of the product.
- It increases brand loyalty and builds brand equity.
- Attribute-based differentiation is important for the brand to defend their price from levelling down to the bottom part of the price spectrum.

(On line at: <https://www.feedough.com/product-differentiation-definition-types-importance-examples/>)

When is market segmentation appropriate?

When the fundraising audience large, the broader their preferences, needs, and opinions become, which can put the organization marketing message at risk for being irrelevant to a large group of people.

Market segmentation can help you to target just the people most likely to become satisfied customers of your company or enthusiastic consumers of your content. To segment a market, you split it up into groups that have similar characteristics. You can base a

segment on one or more qualities. Splitting up an audience in this way allows for more precisely targeted marketing and personalized content (Lotame, March 11, 2019)

Market segmentation offers many benefits to marketers, publishers and others, including the following advantages.

- **Improves Campaign Performance**

Market segmentation can help you to improve the performance of your marketing campaigns by helping you to target the right people with the right messaging at the right time. Segmentation enables you to learn more about your audience so you can better tailor your messaging to their preferences and needs.

- **Informs Product Development**

Market segmentation can also help companies to develop products that better meet the needs of their customers. You can create products to appeal to needs your main market segment may have and develop different products tailored to different parts of your customer base

- **Reveals Areas to Expand**

Market segmentation can also help businesses to identify audience segments that they are not currently reaching with their marketing efforts and then expand into new markets

- **Improves Business Focus**

Market segmentation can also help businesses to focus their efforts, which enables them to establish a brand identity and specialize in a particular type of products. A brand that tries to appeal to everyone in their marketing will come off as generic and unmemorable. It could also leave customers confused about what the brand stands for and what kind of company it represents. Similarly, a company that tries to sell everything likely won't

make a big impact in any one market, and its offerings may be of lower quality compared to companies that specialize

- **Informs Other Business Decisions**

Market segmentation can also help to inform other important business decisions regarding how you get your product to customers. These decisions may involve matters such as pricing and distribution.

Businesses can use segmentation to help them decide on pricing that maximizes sales while keeping customers happy. Companies may consider demographic information such as income levels. They may also take into account their customers' price sensitivity the degree to which their price affects their purchase decisions. Paying attention to seasonal demand changes can help businesses time special deals to boost sales (<https://www.lotame.com/what-is-market-segmentation/>)

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