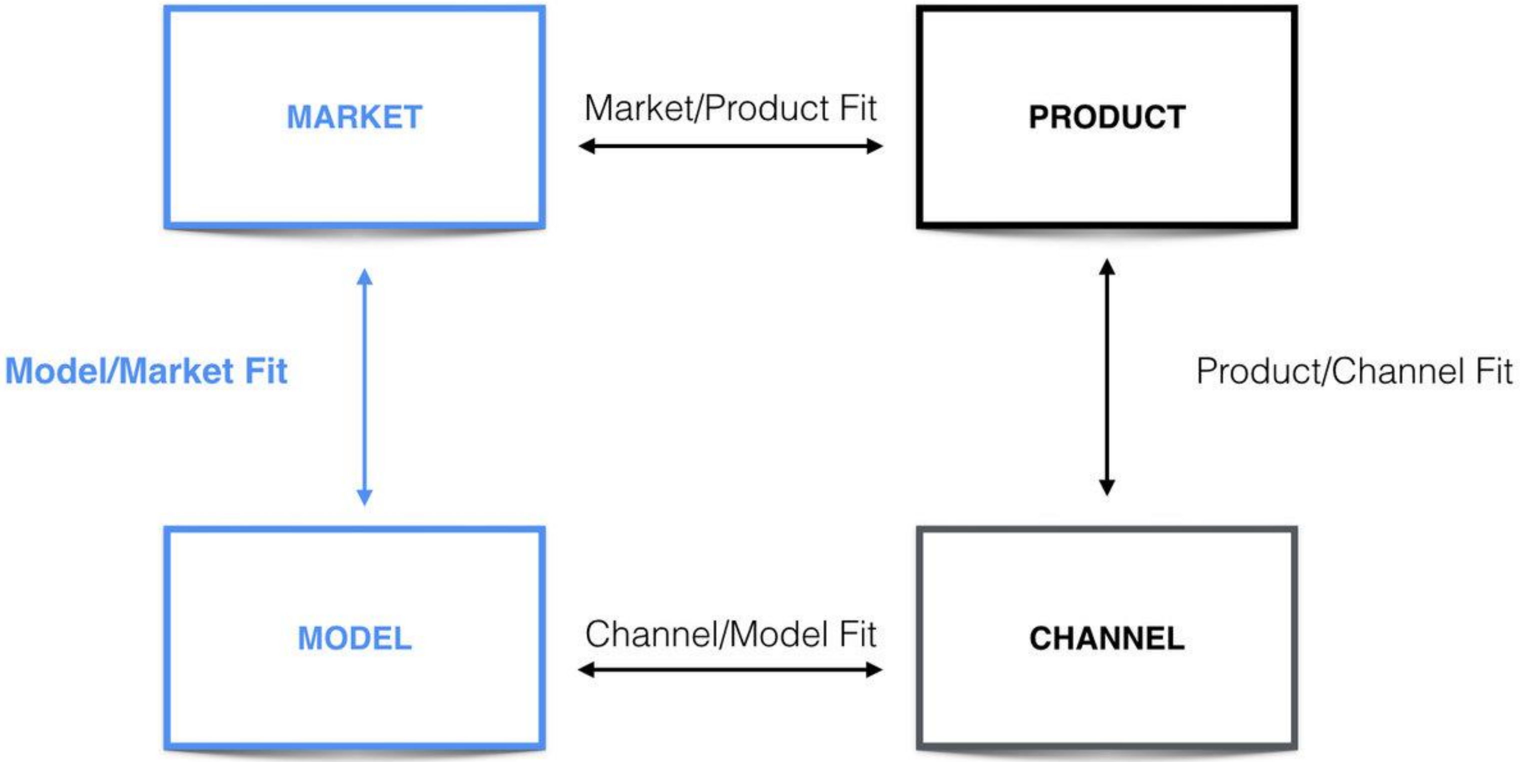
BA 291 Introduction to Business
Session 7
Marketing and Communications

By Ajarn Suwalya K.

June 30, 2020

Startup Marketing Framework from Aj. Chayanin's class



1. The Executive Summary
2. The Industry
3. Market Analysis
4. Competitive Analysis
5. Marketing Plan
6. Operating Plan
7. Financial Plan
8. Appendices and Exhibits

Business Plan Outline
The Writing a Business Plan Series
By Susan Ward

Business Plan
Thinking of writing a business plan? Here is a business plan outline, listing the sections in the order in which they will appear in your completed plan with a brief explanation of each section to help you get organized and guide you through the process.

The Executive Summary[1]
While appearing first, this section is written last. It summarizes the key elements of the entire business plan. (Executive Summary Example[2])

The Industry[3]
An overview of the industry sector that your business will be a part of, including industry trends, major players in the industry, and estimated industry sales. This section will also include a summary of your business's place within the industry. (Business Plan Example: Industry Section[4])

Market Analysis[5]
An examination of the primary target market for your product or service, including geographic location, demographics, your target market's needs and how these needs are being met currently.

Competitive Analysis[6]
An investigation of your direct and indirect competitors, with an assessment of their competitive advantage and an analysis of how you will overcome any entry barriers to your chosen market.

Marketing Plan[7]
A detailed explanation of your sales strategy, pricing plan, proposed advertising and promotion activities, and product or service's benefits.

Management Plan[8]
An outline of your business's legal structure and management resources, including your internal management team, external management resources, and human resources needs.

Operating Plan[9]
A description of your business's physical location, facilities and equipment, kinds of employees needed, inventory requirements and suppliers, and any other applicable operating details, such as a description of the manufacturing process.

Financial Plan[10]
A description of your funding requirements, your detailed financial statements, and a financial statement analysis.

Appendices And Exhibits
Any additional information that will help establish the credibility of your business idea, such as marketing studies, photographs of your product, and/or contracts or other legal agreements pertinent to your business.

Mission

The mission and vision statement

The foundation of any marketing plan is the firm's mission and vision statement, which answers the question, 'What business are we in and where should we go?'

Mission statements, aims and objectives

Mission statement

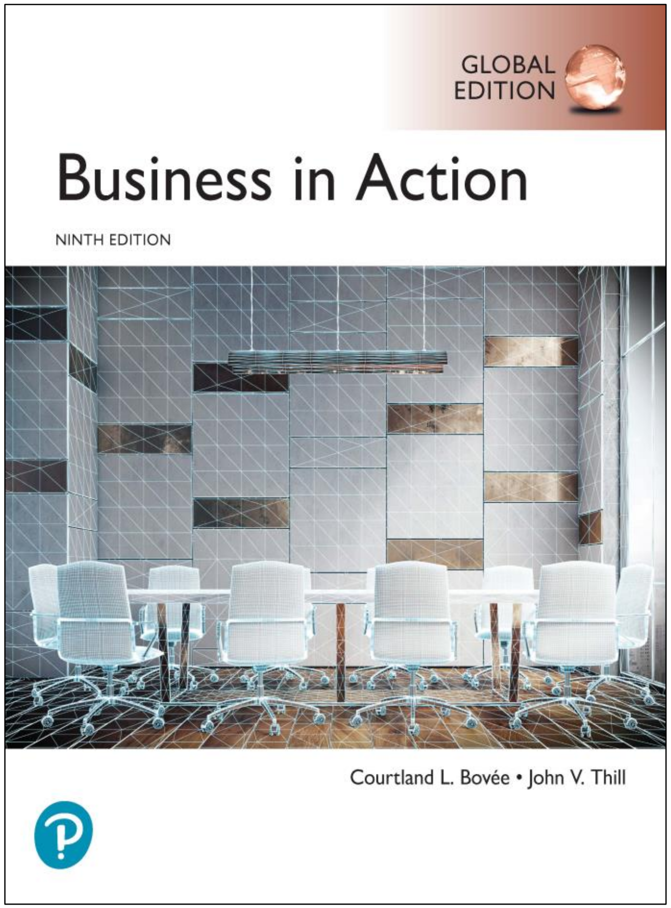
- A mission statement is a short written statement of the purpose of an organisation. The mission statement should guide the actions of the organisation, spell out its overall goal, provide a sense of direction, and guide decision-making.

Unilever

- Our mission is to add Vitality to life. We meet everyday needs for nutrition, hygiene and personal care with brands that help people look good, feel good and get more out of life.
- **Purpose:** to add Vitality to life
- **Business:** nutrition, hygiene and personal care
- **Values:** look good, feel good and get more out of life.

Business in Action: Thriving in the Digital Enterprise

Ninth Edition, Ninth Edition

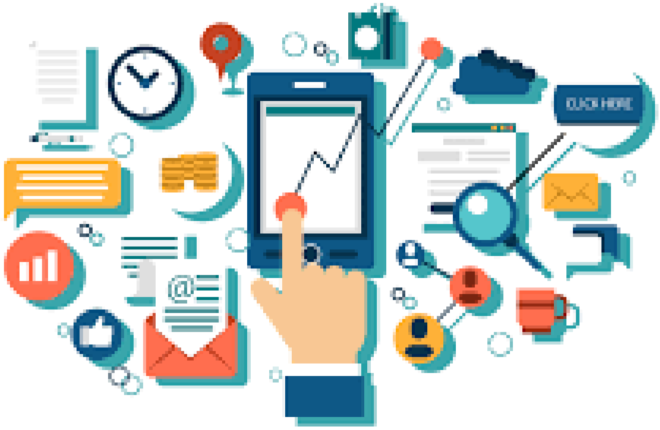


Chapter 12

The Art and Science of Marketing

Marketing in a Changing World

- **Marketing**
  - The process of creating value for customers and building relationships with those customers in order to capture value back from them



The Role of Marketing in Society (1 of 3)

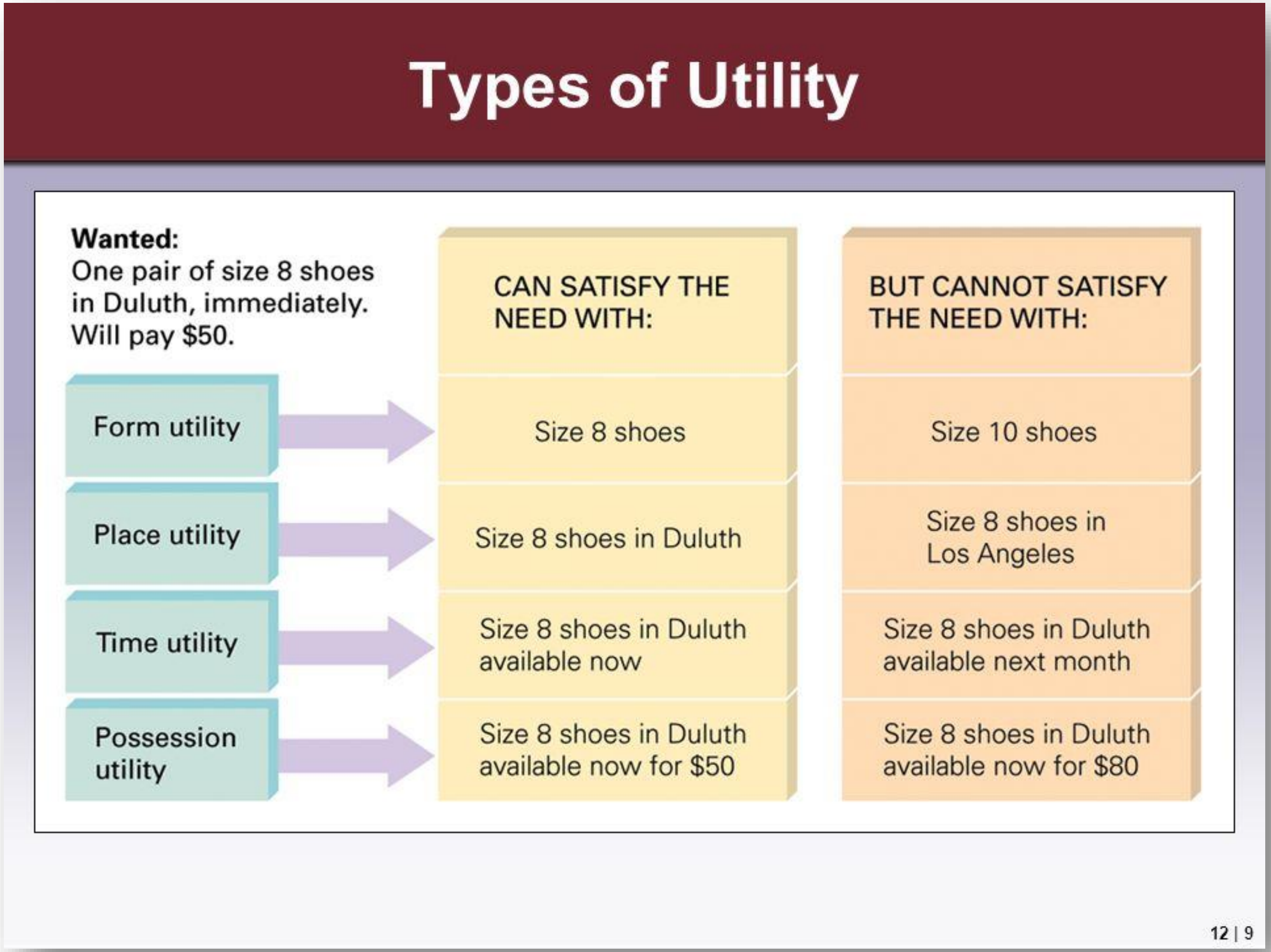
- **Needs**
  - Differences between a person's actual state and his or her ideal state; they provide the basic motivation to make a purchase
- **Wants**
  - Specific goods, services, experiences, or other entities that are desirable in light of a person's experiences, culture, and personality

The Role of Marketing in Society (2 of 3)

- **Exchange process**
  - The return
- **Transaction**
  - act of obtaining a desired object or service from another party by offering something of value in An exchange of value between parties

The Role of Marketing in Society (3 of 3)

- **Utility**
  - The power of a good or service to satisfy a human need
  - Form, time, place, possession



The Marketing Concept (1 of 2)

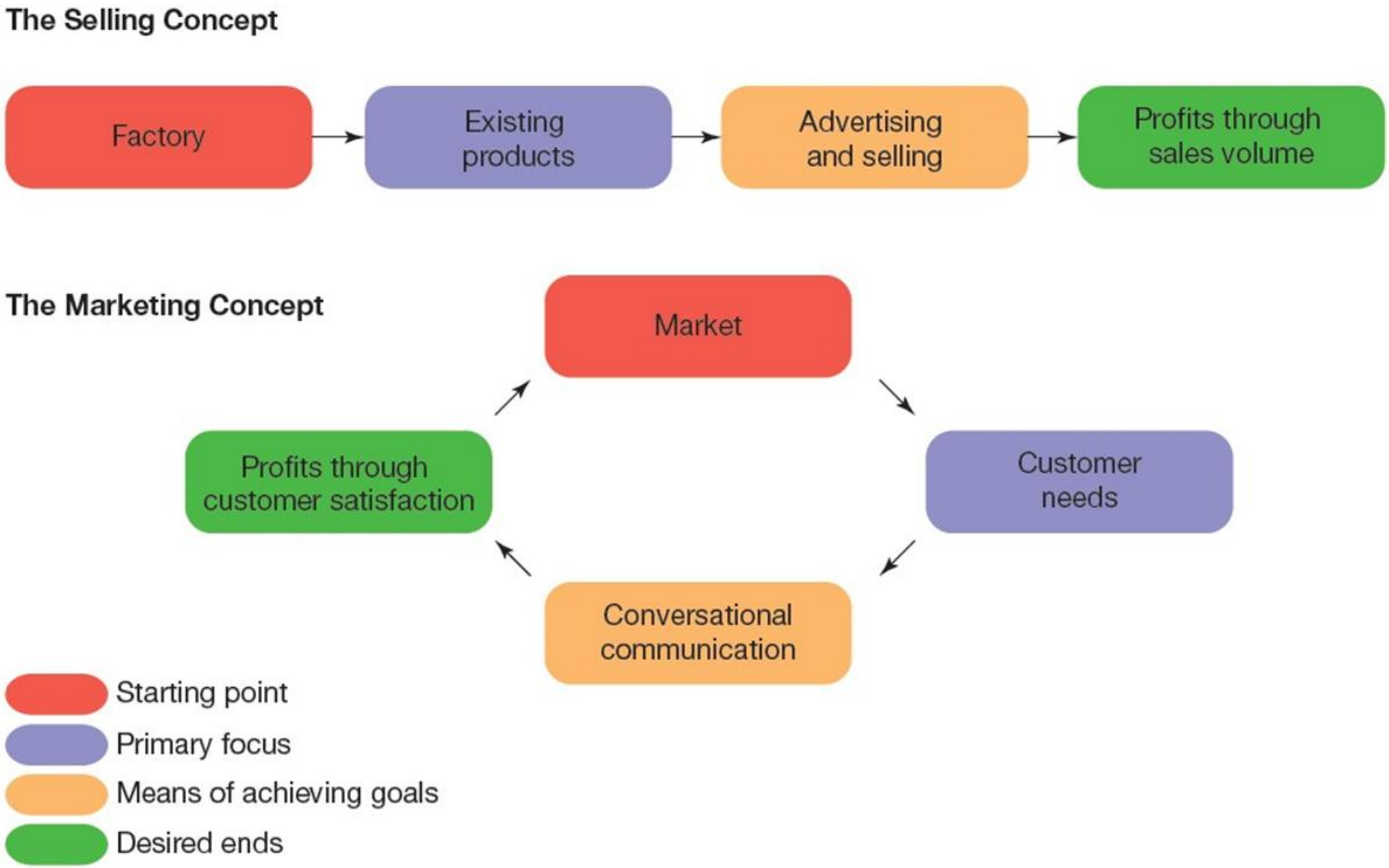
- **Marketing concept**
  - An approach to business management that stresses customer needs and wants, seeks long-term profitability, and integrates marketing with other functional units within the organization

The Marketing Concept (2 of 2)

- **Relationship marketing**
  - A focus on developing and maintaining long-term relationships with customers, suppliers, and distribution partners for mutual benefit
- **Customer loyalty**
  - The degree to which customers continue to buy from a particular retailer or buy the products of a particular manufacturer or service provider


Acquiring new customers
is 5-7 x more expensive
$
$
Retaining
An Existing Customer
Acquiring
A New Customer
#MarketingGyan

Exhibit 12.1 The Selling Concept Versus the Marketing Concept



Challenges in Contemporary Marketing

- Involving the **customer** in the marketing process
- Making **data-driven** decisions
- Conducting marketing activities with greater concern for **ethics** and **etiquette**

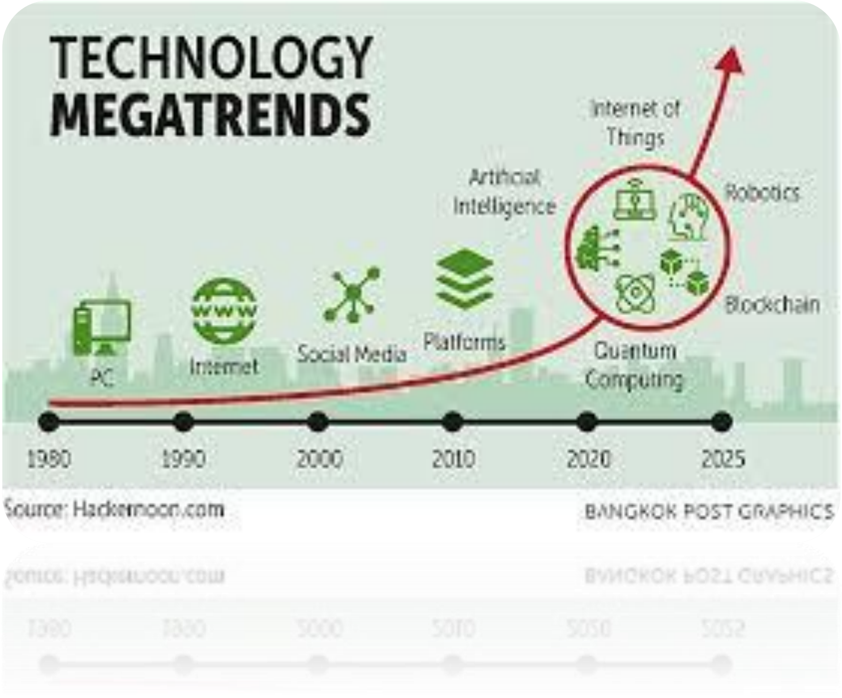


Exhibit 12.4 Buyer Decision-Making

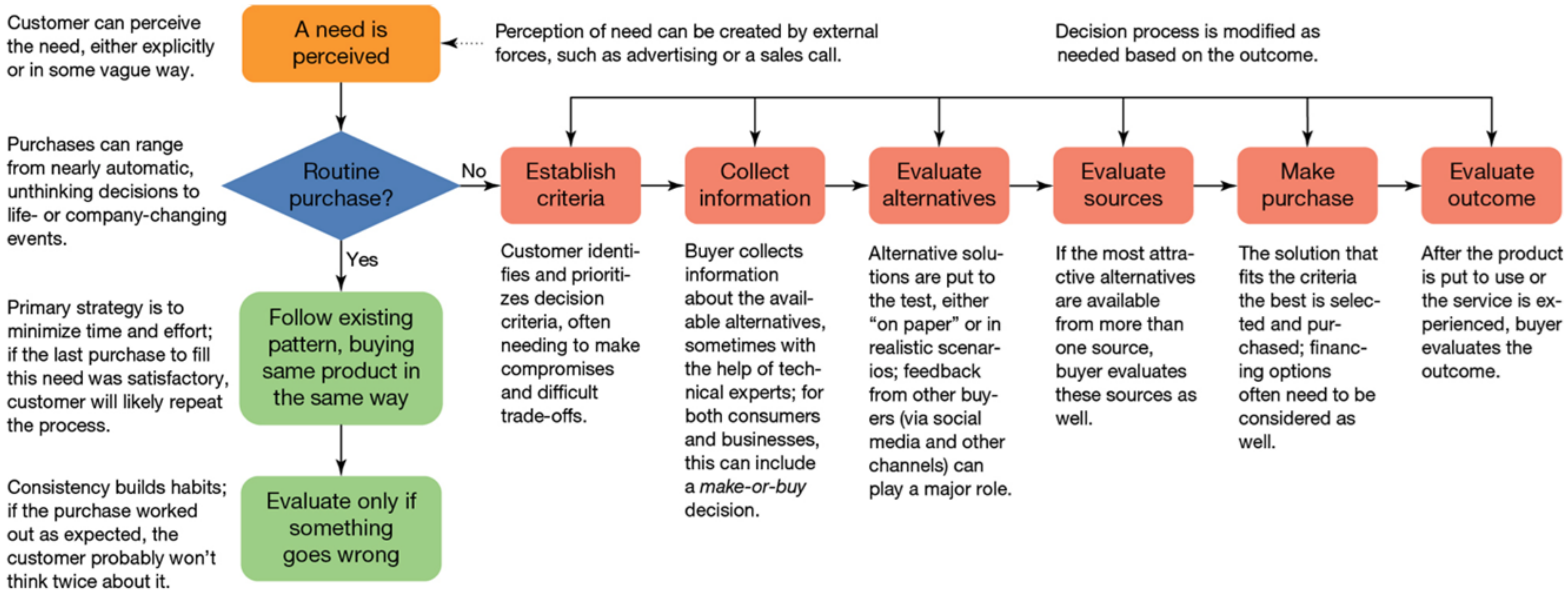


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Exhibit 12.5 The Strategic Marketing Planning Process

Assessing Opportunities and Setting Objectives (1 of 2)

- **Market penetration**
  - Selling more of a firm's existing products in the markets it already serves – example orange juice
- **Product development**
  - Creating new products for a firm's current markets – example Iphone
- **Market development**
  - Selling existing products to new markets – example Europe market

Assessing Opportunities and Setting Objectives (2 of 2)

- **Diversification**
  – Creating new products for new markets – CP group
- **Market share**
  – A firm’s portion of the total sales in a market

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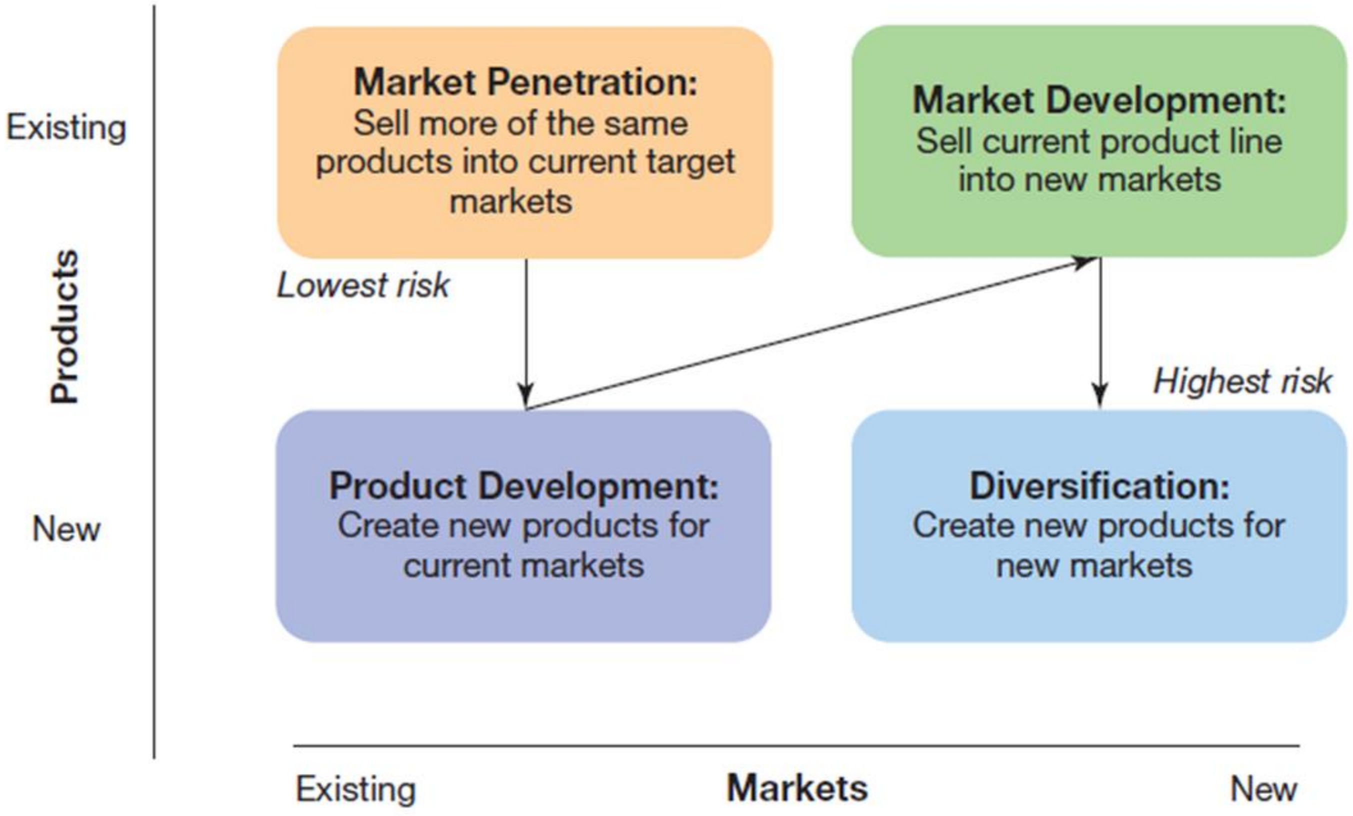
Market share

Exhibit 12.6 Pursuing Market Opportunities



Dividing Markets into Segments (1 of 3)

- **Marketing Strategy**
  - An overall plan for marketing a product; includes the identification of target market segments, a positioning strategy, and a marketing mix
- **Market**
  - A group of customers who need or want a particular product and have the money to buy it
- **Market segmentation**
  - The division of a diverse market into smaller, relatively homogeneous groups with similar needs, wants, and purchase behaviors

Dividing Markets into Segments (2 of 3)

- **Demographics**
  - The study of statistical characteristics of a population
- **Psychographics**
  - Classification of customers on the basis of their psychological makeup, interests, and lifestyles

Dividing Markets into Segments (3 of 3)

- **Geographic segmentation**
  - Categorization of customers according to their geographical location
- **Behavioral segmentation**
  - Categorization of customers according to their relationship with products or response to product characteristics

Choosing Your Target Markets

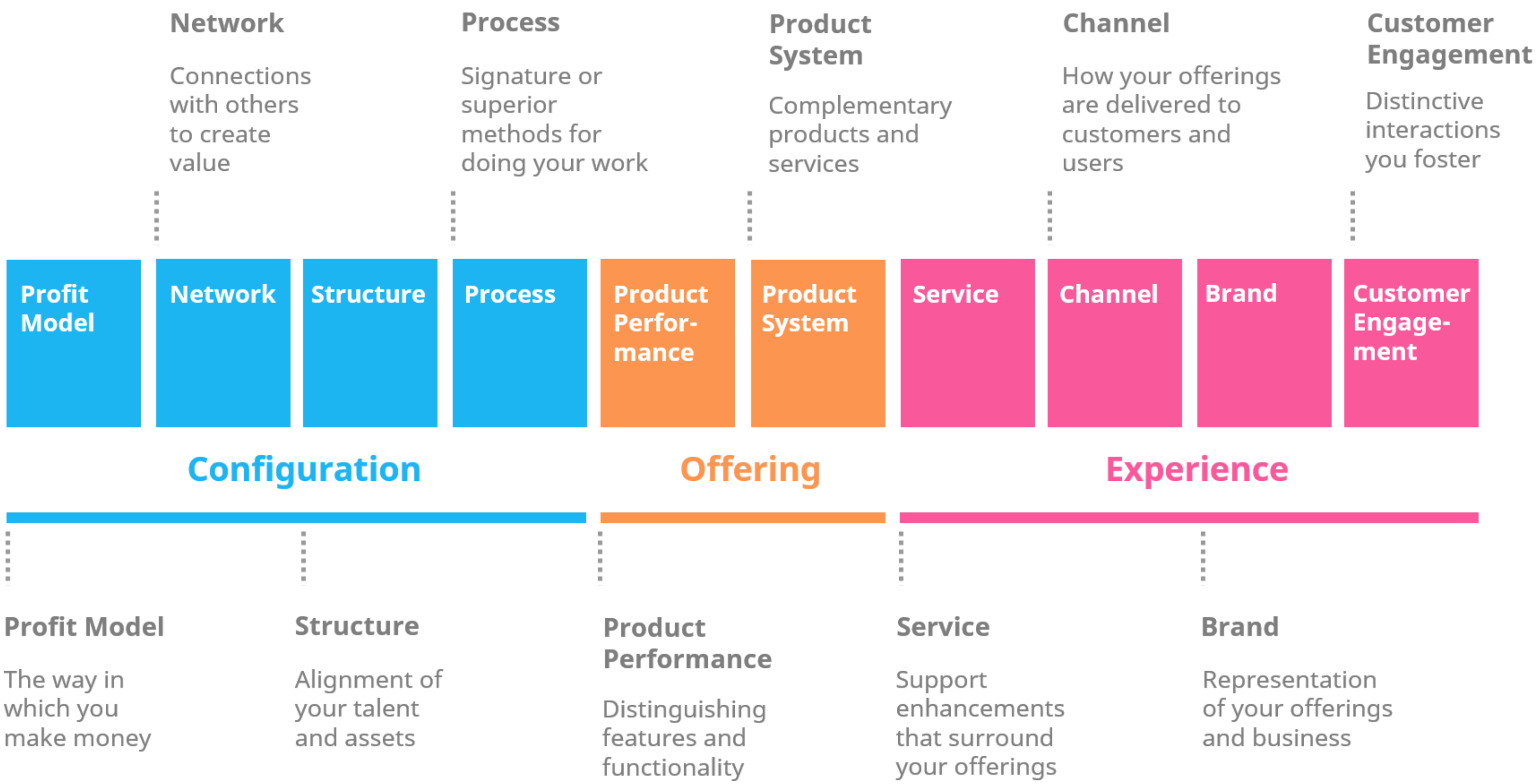
- **Target markets**
  - Specific customer groups or segments to whom a company wants to sell a particular product
  - Undifferentiated, differentiated, concentrated, and individualized

Exhibit 12.7 Market-Coverage Strategies

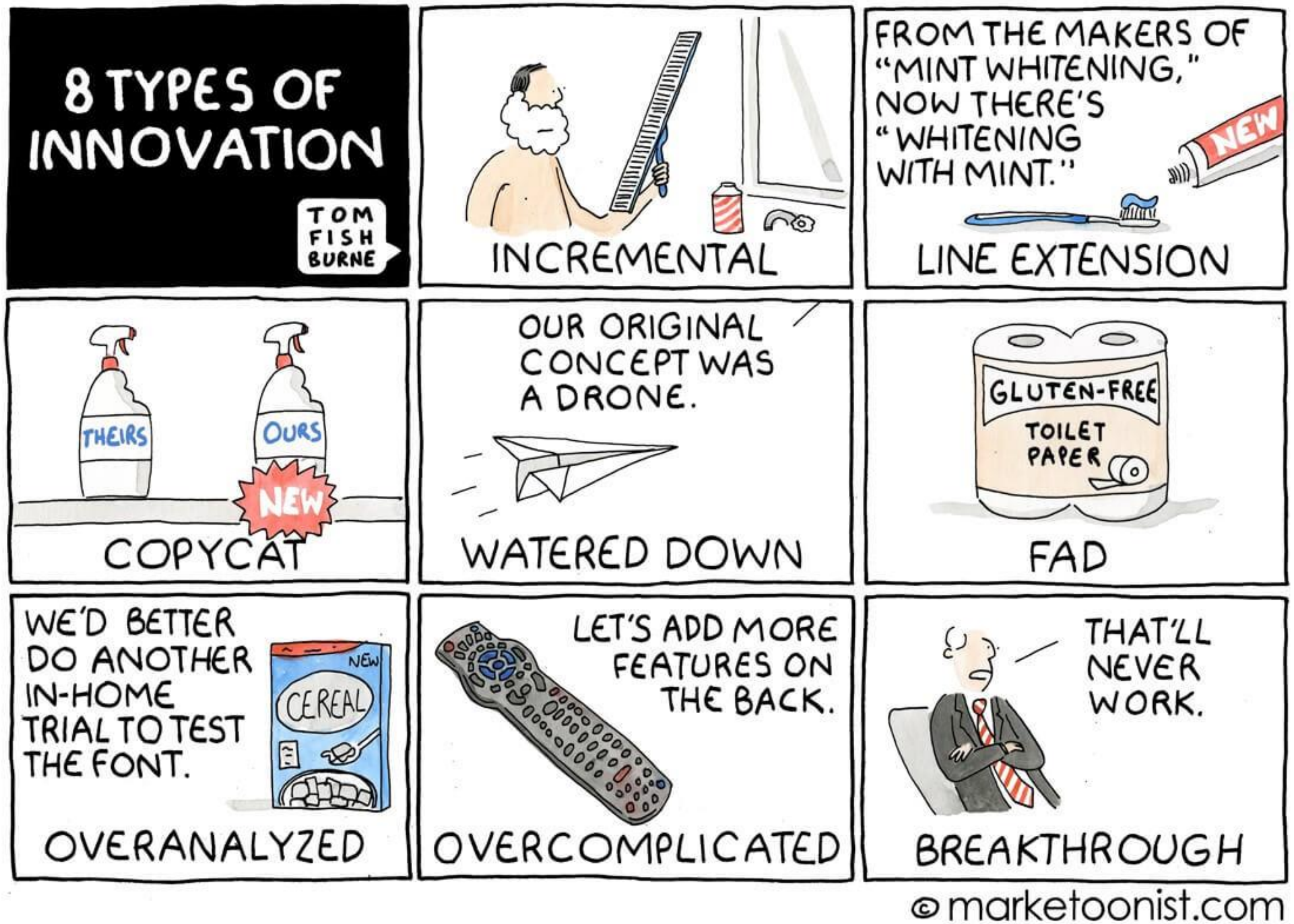
Staking out a Position in Your Target Markets

- **Positioning**
  - Managing a business in a way designed to occupy a particular **place in the minds of target customers**

Types of Innovations.



Product innovations ….



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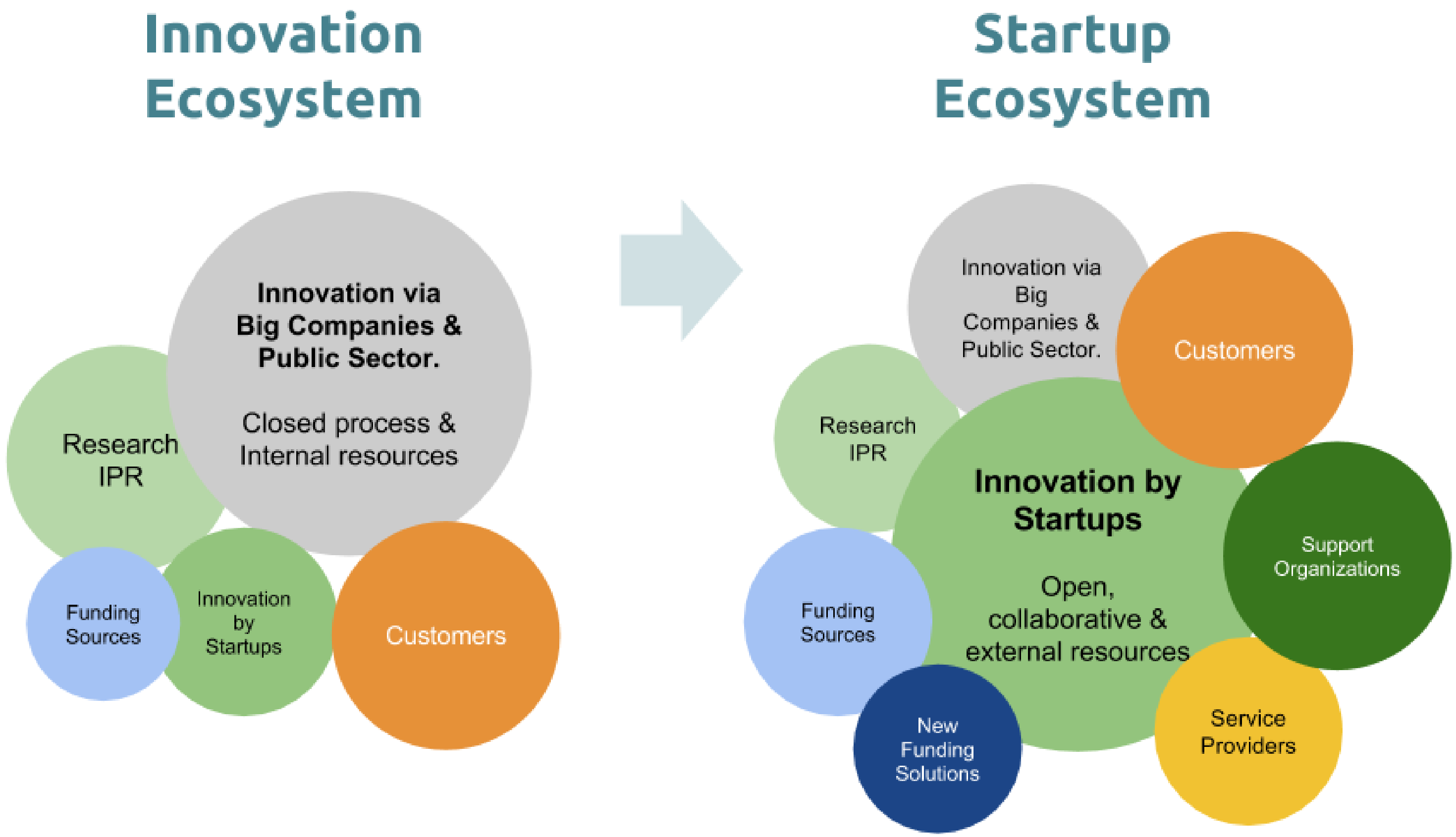
Innovation for Startups



Most successful startups…

TESLA
slack
amazon
airbnb

Drift
buffer
TaskRabbit
lyft

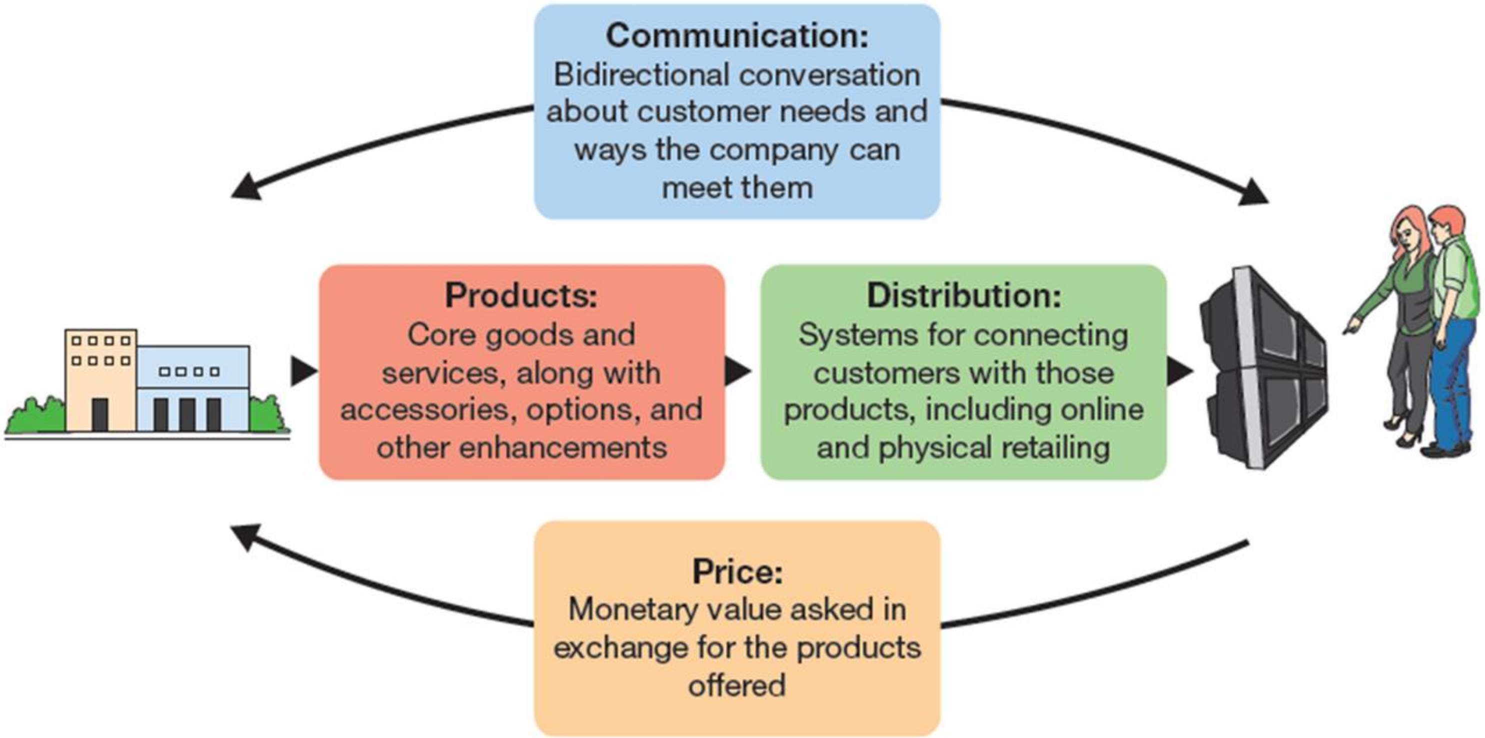
ebay
Basecamp
INTERCOM
MailChimp
wework

UBER
Etsy
HubSpot
shopify

The Marketing Mix

- **Marketing mix**
  - The four key elements of marketing strategy: product, price, distribution, and customer communication

Exhibit 12.8 The Marketing Mix



The Marketing Mix

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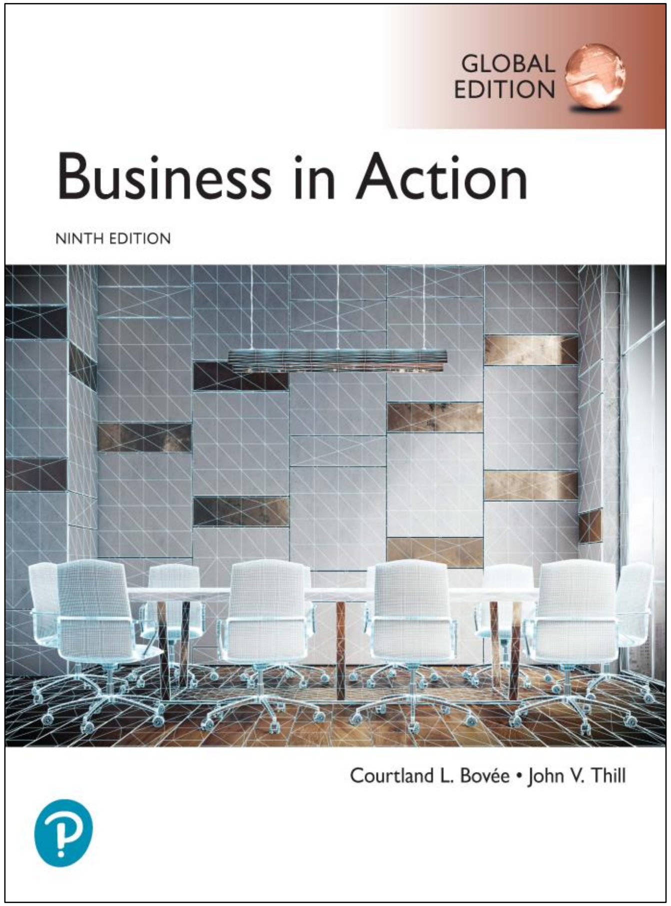

Chapter 14

Customer Communication and Product Distribution

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The Three E's in Content Marketing:

Engage
Educate
Excite

Express Writers

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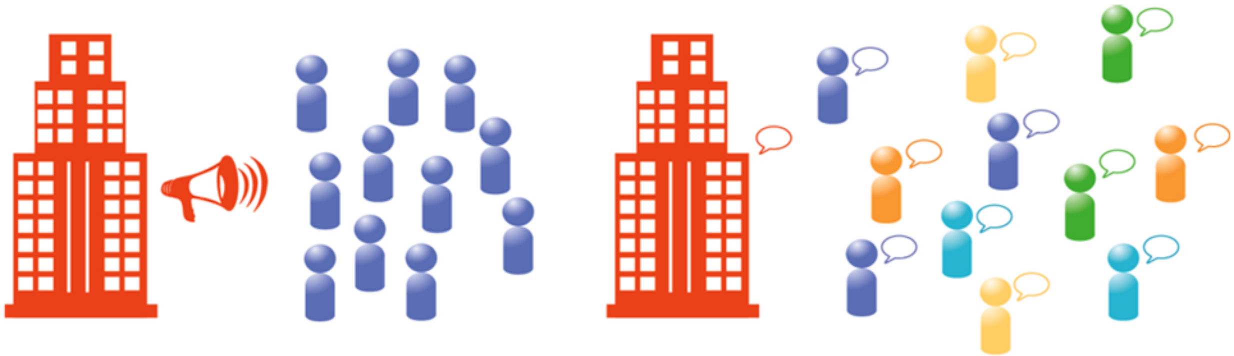
Customer Communication

- **Social communication model**
  - An approach to communication based on interactive social media and conversational communication styles

Exhibit 14.1 The Social Model of Customer Communication



Conventional Promotion:
"We Talk, You Listen"

<u>Tendencies</u>

Publication, broadcast
Lecture
Intrusion
Undirectional
One to many; mass audience
Control
Low message frequency
Few channels
Information hoarding
Static
Hierarchical
Structured
Isolated
Planned
Resistive

The Social Model:
"Let's Have a Conversation"

<u>Tendencies</u>

Conversation
Discussion
Permission
Bidirectional, multidirectional
One to one; many to many
Influence
High message frequency
Many channels
Information sharing
Dynamic
Egalitarian
Amorphous
Collaborative
Reactive
Responsive

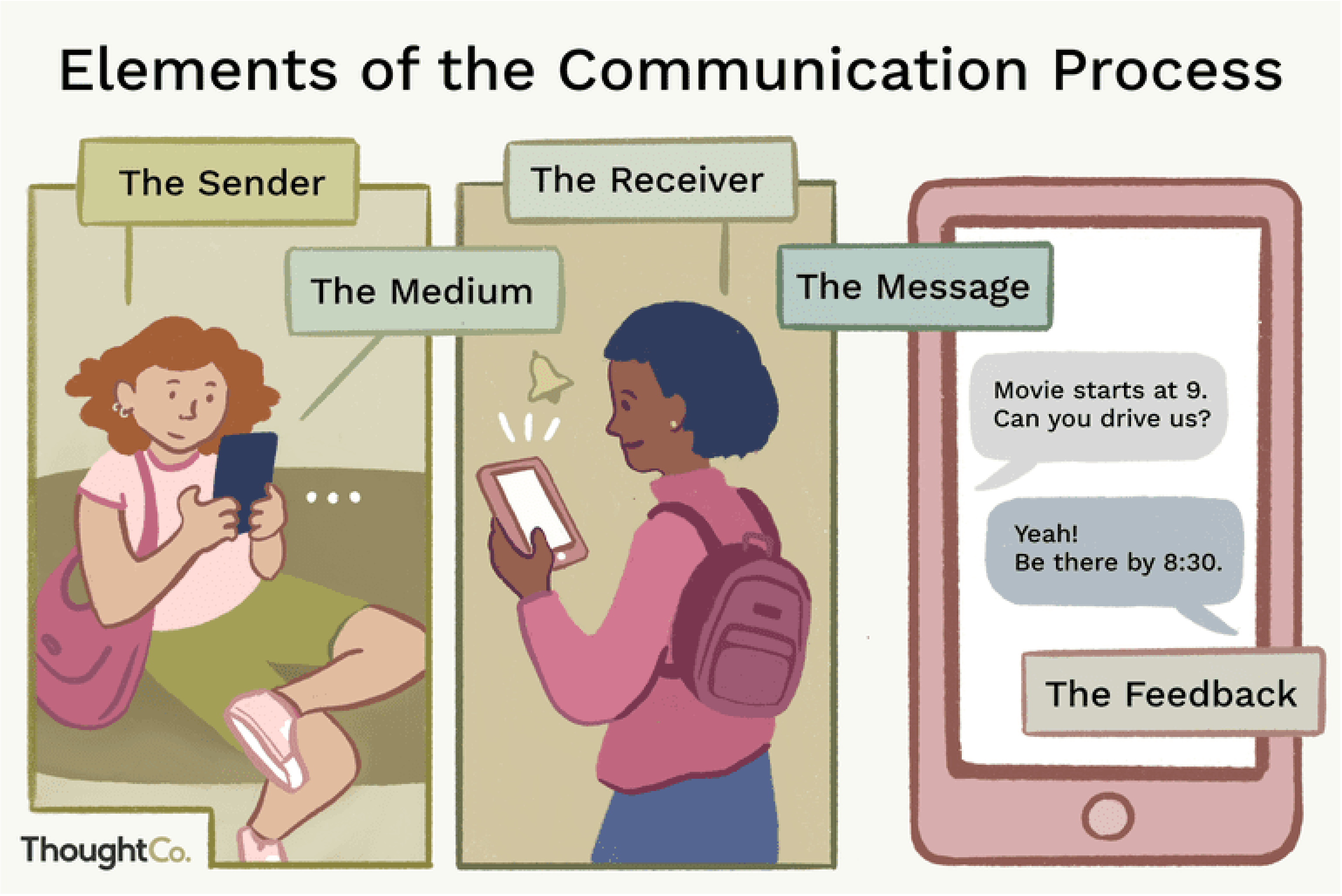
Customer Communication: Challenges, Strategies, and Issues

1. Establish clear communication goals
2. Define compelling messages to help achieve those goals
3. Outline a cost-effective media mix to engage target audiences

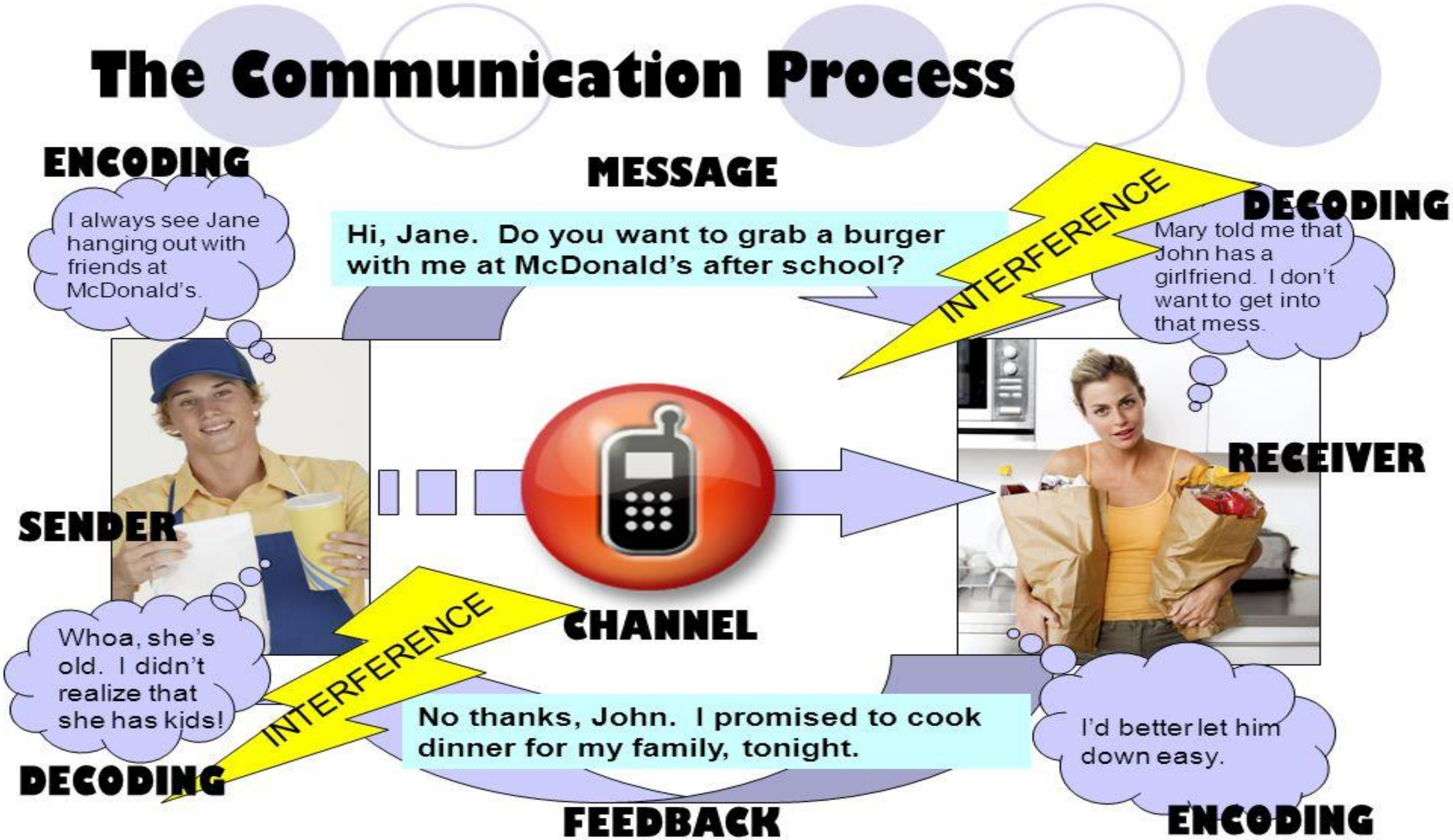
Establishing Clear Communication Goals

- Generating awareness
- **Providing information** and creating positive emotional connections
- Building preference
- **Stimulating action**
- Reminding past customers

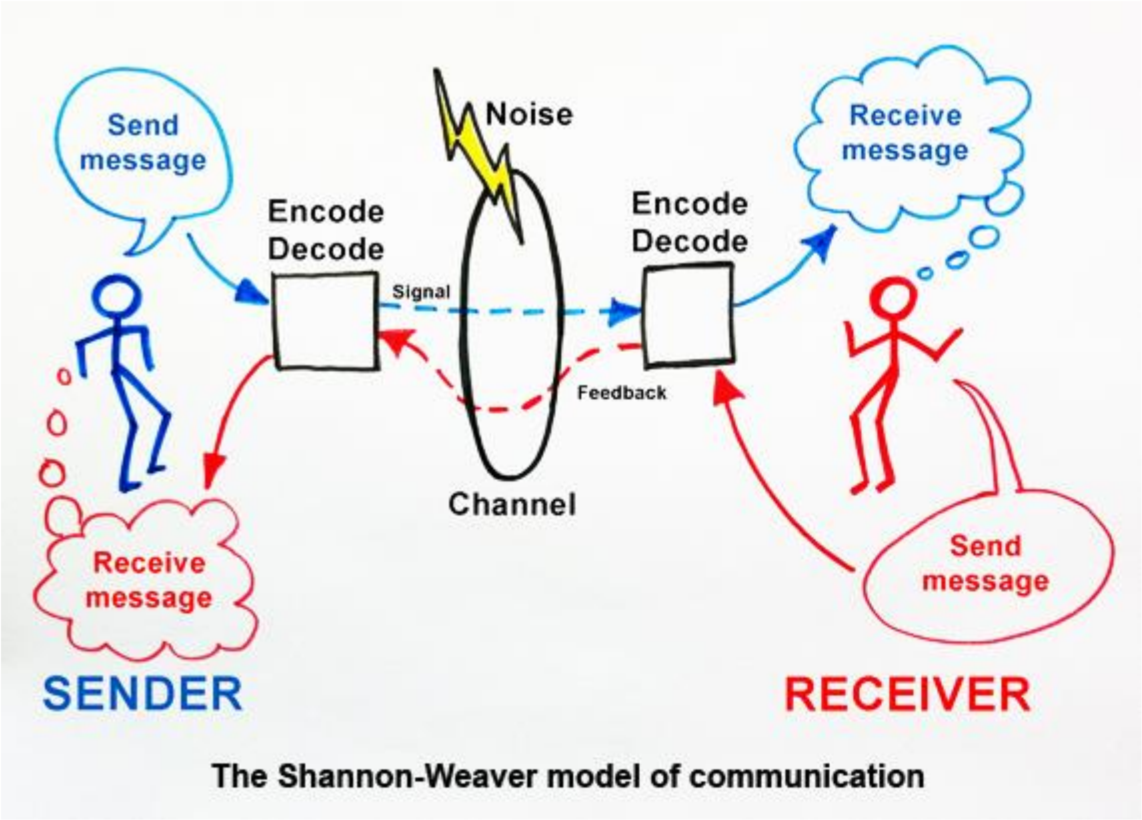
Defining Customer Messages



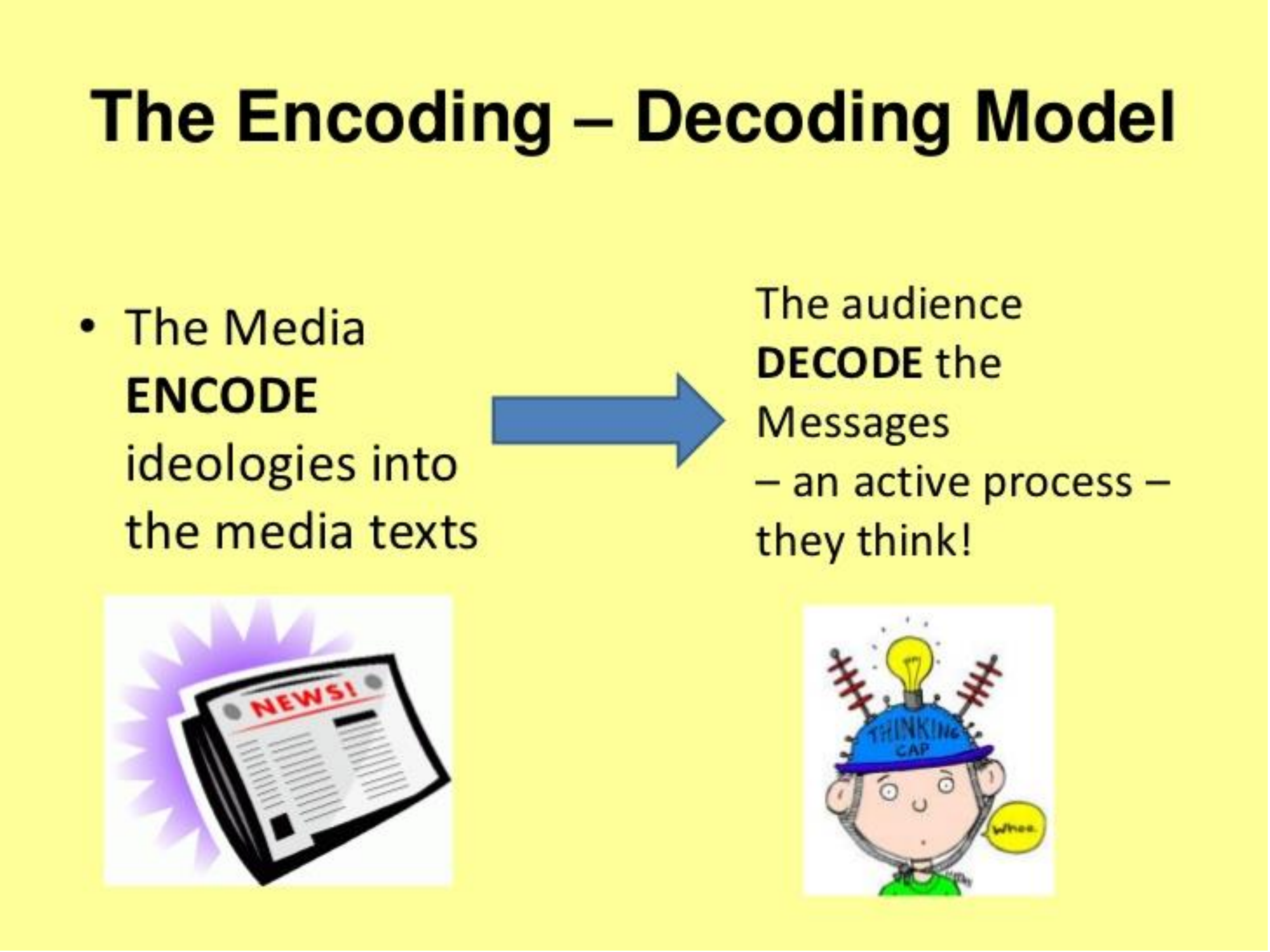
Defining Customer Messages



Defining Customer Messages



Defining Customer Messages



Defining Customer Messages

- **Core message**
  - The single most important idea an advertiser hopes to convey to the target audience about its products or the company

BRAND PROMISE	BRAND TAGLINE
The value proposition in one sentence. Clearly states the specific benefit.	A bigger, holistic, state of being. A philosophy.
Simple and easy to understand	Can have deeper, layered meanings
Indicates a solution to a problem	Inspires a feeling

Defining Customer Messages

- **Core message**

Brand Tagline Examples

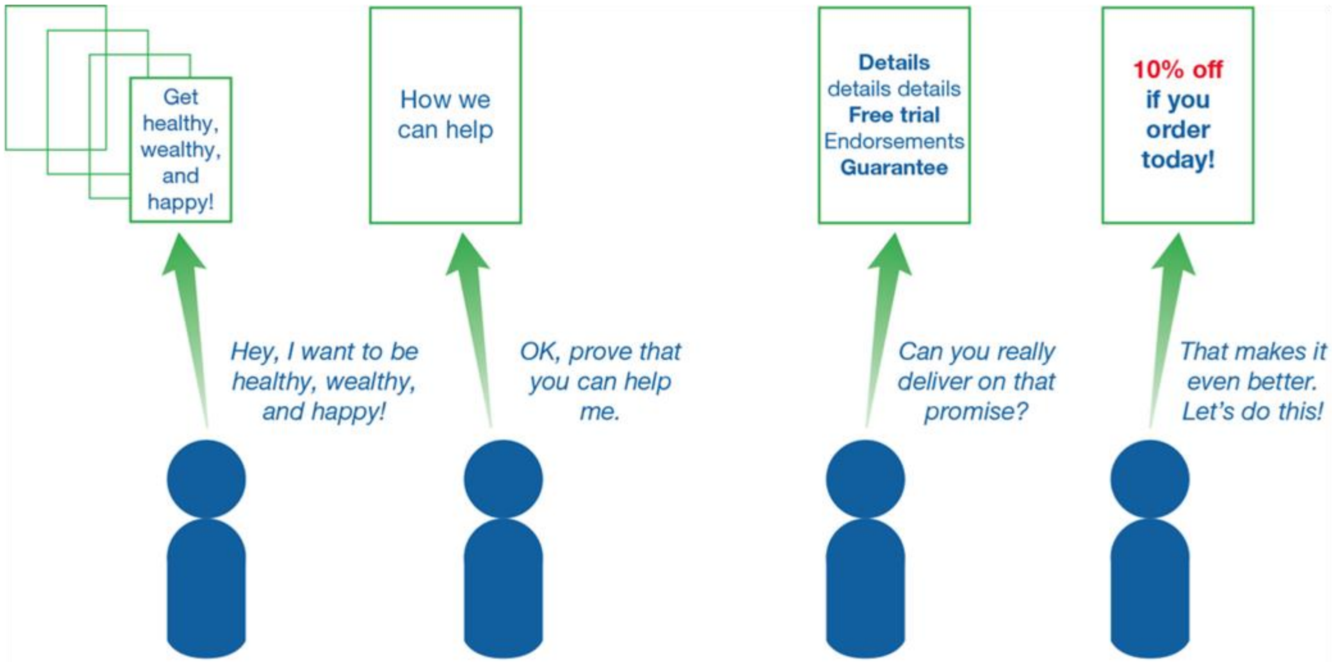
BRAND	TAGLINE	THE FEELING THE BRAND INSPIRES
	Think different	Don’t follow the crowd, be a trendsetter. Be new, fresh.
	Just do it	Be energized. You can achieve anything.
L’ORÉAL	Because you’re worth it	Love and pamper yourself. You’re special.

Defining Customer Messages

- **Core message**

BRAND	BRAND PROMISE	BRAND VALUE PROPOSITION
FedEx	The World on Time	On-time deliveries
SUBWAY	Eat Fresh	Fresh food
citibank	The citi never sleeps	24-hr banking

Exhibit 14.2 The AIDA Model of Persuasive Communication- In general



Attention

Catch the audience's eyes and ears, then get people to pay attention to your message amid all the other messages clamoring for their attention.

Interest

Provide concise points that "pay off" the promise you made to get their attention as you build a case that you can meet their individual needs.

Desire

Move prospects from "I'm interested" to "I want this" by continuing to show how your solution will benefit them and by removing any doubts.

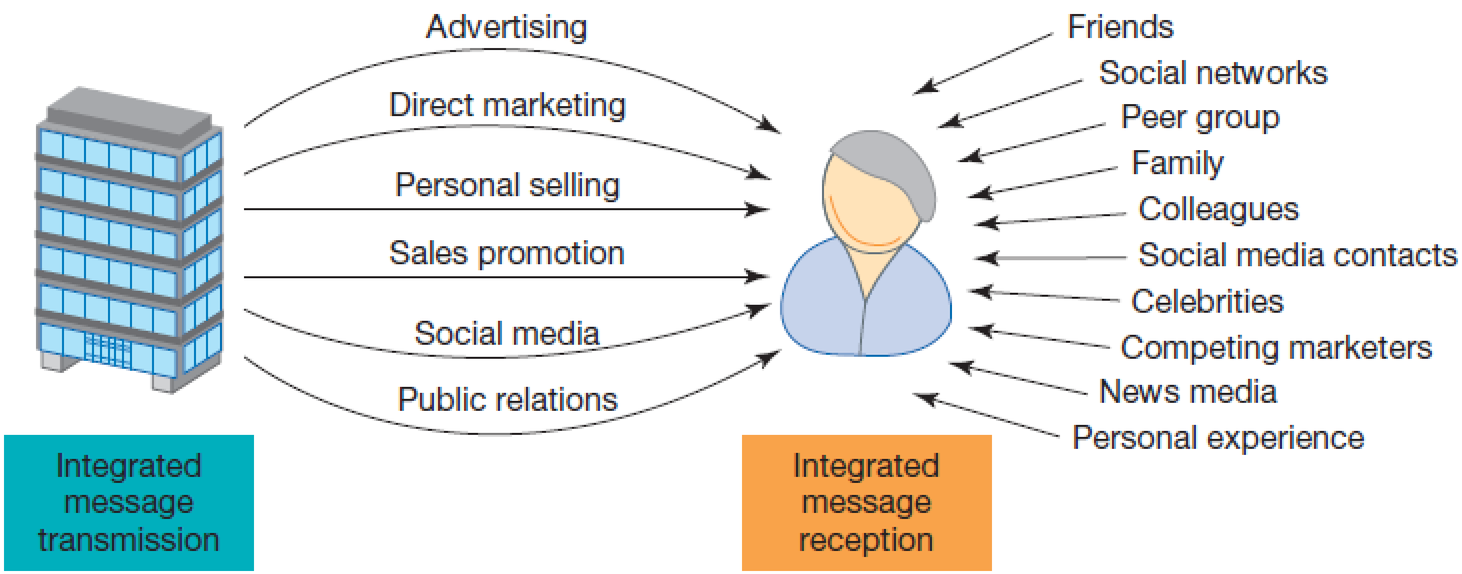
Action

Motivate them to take action, whether that is seeking more information, making a decision in your favor, or making a purchase.

Communication

- **Communication mix**
  - **A blend of communication vehicles**— advertising, direct marketing, personal selling, sales promotion, social media, and public relations—that a company uses to reach current and potential customers

Exhibit 14.3 Message Integration in Customer Communication



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Assembling the Communication Mix

- **Integrated Marketing Communications (IMC)**
  - A strategy of coordinating and integrating communication and promotion efforts with customers to ensure greater efficiency and effectiveness

Communication Laws and Ethics

- Marketing and sales messages must be truthful and non-deceptive
- You must back up your claims with evidence
- “Bait and switch” advertising is illegal
- Marketing messages and websites aimed at children are subject to special rules

Advertising

- **Advertising**
  - The delivery of announcements and promotional messages via time or space purchased in various media

Advertising Appeals

- **Advertising appeal**
  - A creative tactic designed to capture the audience’s attention and promote preference for the product or company being advertised
  - **Logic, emotion, humor, celebrity, sex, music, scarcity**

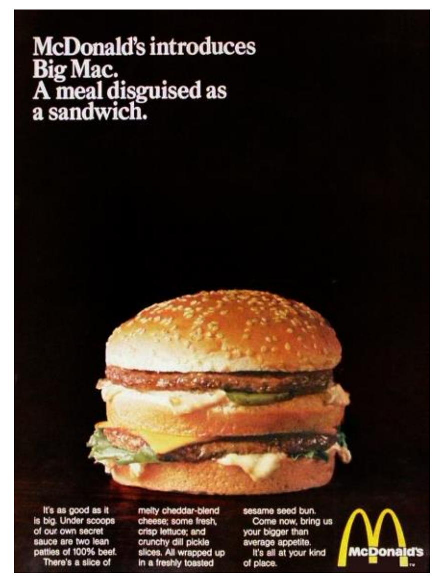
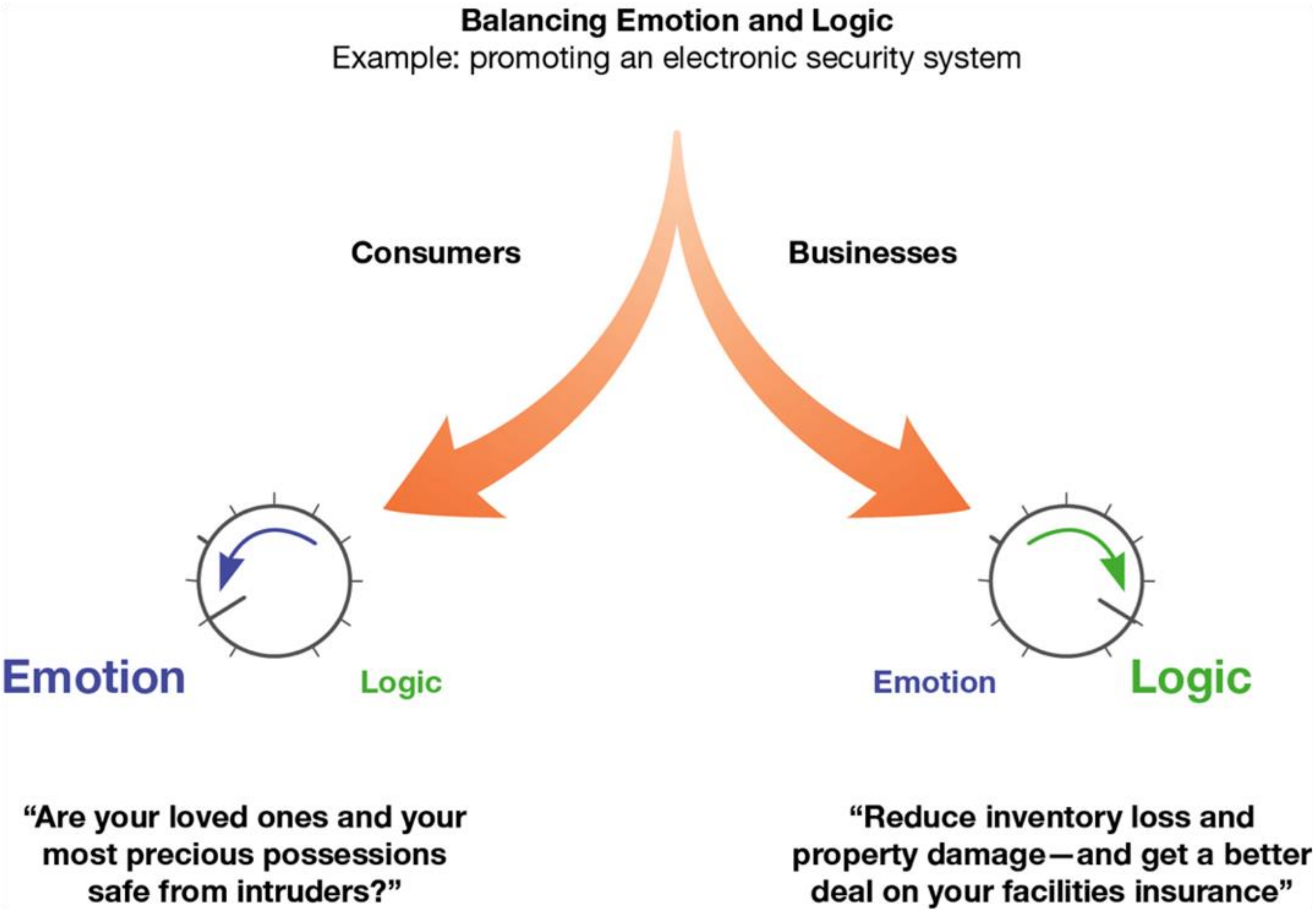
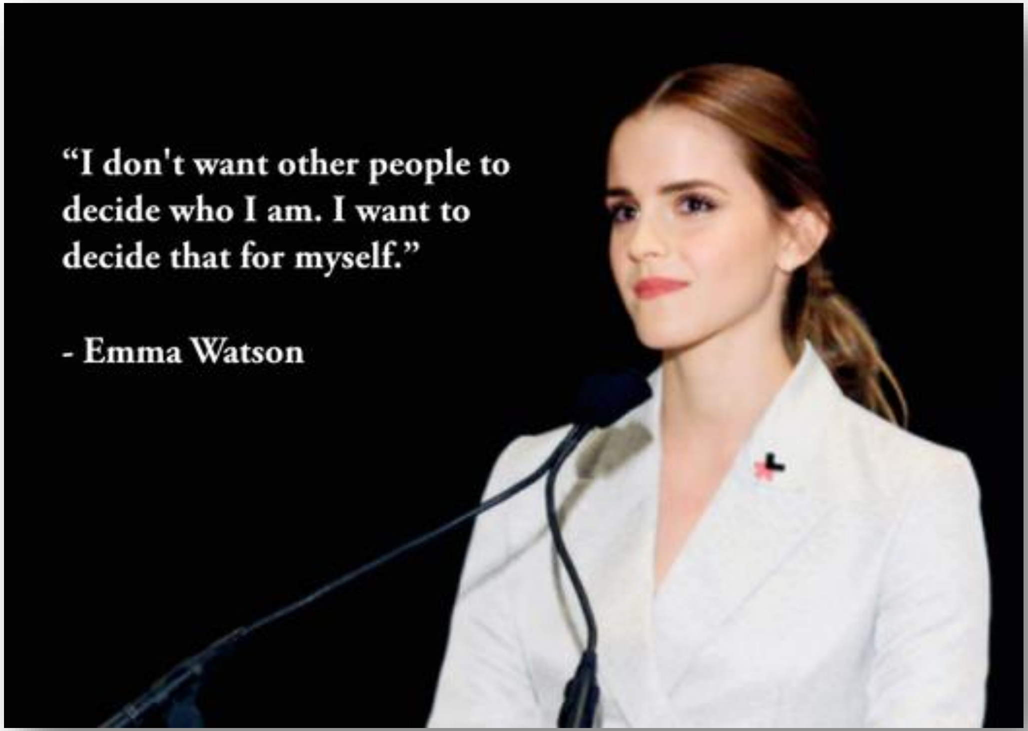


Exhibit 14.4 Emotional and Logical Appeals



Emotional Appeal



Rational Appeal

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Advertising Media

- **Advertising media**
  - Communication channels, such as newspapers, radio, television, and the World Wide Web
- **Product Placemat**
  - The paid display or use of products in television shows, movies, and video games

Exhibit 14.5 Combining Advertising Appeals

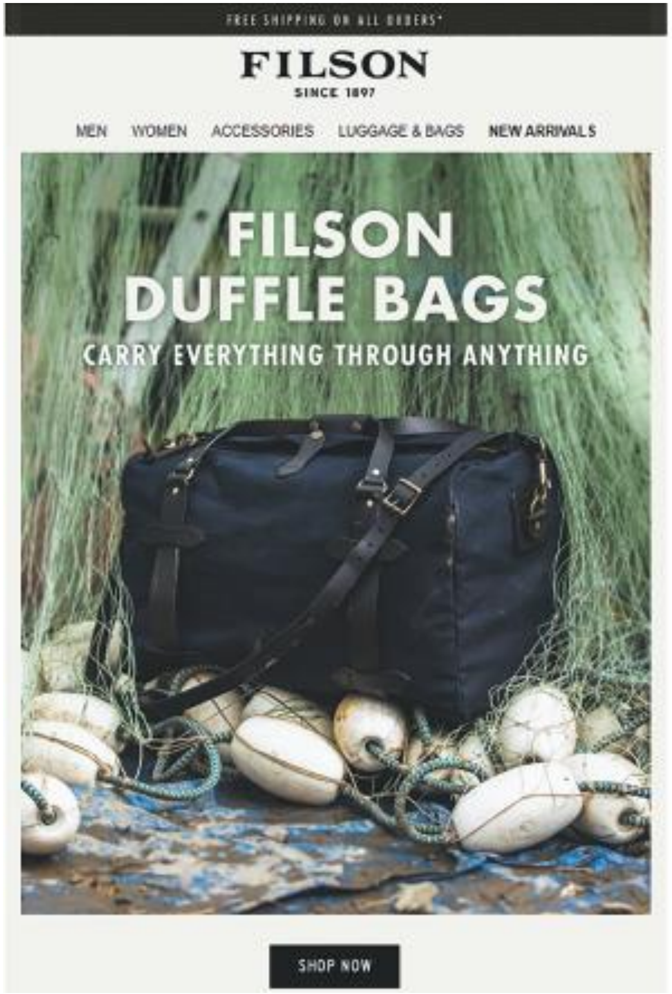

Exhibit 14.6 Advantages and Disadvantages of Major Advertising Media (1 of 3)

Medium	Advantages	Disadvantages
Television	Great impact; broad reach; appeals to senses of sight, sound, and motion; creative opportunities for demonstration; high attention; entertainment carryover; low cost per contact	High cost for production and air time; less audience selectivity; long preparation time; commercial clutter; short life for message; vulnerable to being skipped or muted; losing ground to new media options
Radio	Low cost; high frequency; immediacy; highly portable; high geographic and demographic selectivity; creative potential with sound and music	No visual possibilities; short life for message; commercial clutter; lower attention and narrower reach than television; declining audience share; low level of engagement

Exhibit 14.6 Advantages and Disadvantages of Major Advertising Media (2 of 3)

Medium	Advantages	Disadvantages
Print (magazines and newspapers)	Newspapers: Extensive market coverage; low cost; short lead time for placing ads; good local market coverage; geographic selectivity; credibility.	Newspapers: Poor graphic quality; short life span; cluttered pages; visual competition from other ads; printed newspapers have rapidly declining readership in many cities; declining readership, particularly among younger consumers
	Magazines: Good production quality; long life; selective market selectivity; authority and credibility; multiple readers extend reach of each issue; close bond with readers	Magazines: Limited demonstration possibilities; long lead time between placing and publishing ads; a lot of ad clutter; high cost; declining readership for many titles

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Exhibit 14.6 Advantages and Disadvantages of Major Advertising Media (3 of 3)

Medium	Advantages	Disadvantages
Out-of-home	Low cost per impression; high contact frequency on busy routes; digital billboards command attention; geographic Targeting	Short exposure time for many messages; limited content potential; significant clutter in many environments
Digital	Rich media options and interactivity can make ads more compelling and more effective; changes and additions can be made quickly and easily in most cases; webpages can provide an almost unlimited amount of information; can be measured and personalized through tracking and targeting capabilities; instant links to online retailing and influence on store-based retail sales; social media connections can spread marketing messages through word of mouth	Low click-through rates; extreme degree of audience fragmentation (millions of websites); increasing clutter; not as portable as magazines or newspapers (except for mobile use); ad-blocking software can prevent ads from being displayed; risk of being displayed next to inappropriate Content