

# MARKETING FOR ENTREPRENEURS

Participant Workbook



Youth Employment Services - YES

[www.yes.on.ca](http://www.yes.on.ca)

## Marketing for Entrepreneurs

### Overview and Purpose

This workshop introduces participants to the key concepts in marketing. Participants first differentiate among the terms marketing, advertising and sales. They then revisit target market analysis and competitor analysis. Participants then learn the concepts of branding, key messages, marketing channels, marketing mix and marketing metrics. Participants compile all of their work from the module into a marketing plan.

### Time

The workshop is between two and three hours long.

### Learning Outcomes

At the end of this workshop you will be able to:

1. Differentiate among the terms marketing, advertising and sales.
2. Identify different perspectives on marketing.
3. Analyze your target market.
4. Analyze your competitors.
5. Define key concepts in marketing including: branding, brand pyramid, key messages, marketing channels, marketing mix and marketing metrics.
6. Develop all of the key concepts for your business.
7. Compile all of your marketing work into a marketing plan.

### Leading Questions

As you complete this workshop, you will think about and answer the following questions:

1. What are your favourite brands? Why?
2. How do your favourite brands communicate with you as a customer?
3. What makes you want to buy a product or use a service?

## Workshop Agenda

### Introductions and Workshop Overview

1. What is Marketing?
2. Target Market Analysis
3. Competitor Analysis
4. Branding
5. Key Messages
6. Marketing Channels
7. Marketing Mix
8. Marketing Metrics
9. A Marketing Plan
10. Review and Wrap-Up

# 1. What is Marketing?

## 1.1 Marketing, Advertising and Sales

We briefly covered marketing in the module on business planning. In that module we introduced market research (identifying your target market, analyzing your competitors and identifying social, technological and economic trends), pricing, marketing activities and marketing goals. In this module we will explore additional marketing concepts so that you can fill out your ideas about how to market your business. We will start by comparing and contrasting, marketing, advertising and sales.

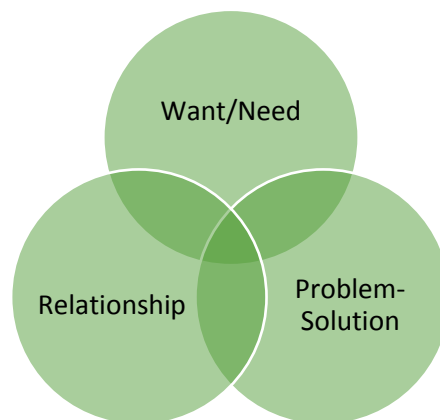
Recall from the business planning module that **marketing** is the action or process of promoting our products or services, so that potential customers become aware of what we offer.

**Advertising** is the process of posting information that promotes our product or service in a public medium (print, website, social media, video, audio). When designing our advertising we decide what images, words, colours and layout we want to use. Advertising is part of marketing. As we create our marketing plan for our business, we also need to decide what advertising we will create and use, and how we will use it.

**Sales** is the transaction between two or more parties in which the buyer gives the seller money in exchange for products or services. Sales comes after marketing has successfully engaged a potential customer. We will not discuss sales in this module but we will discuss advertising later on.

## 1.2 Different Perspectives on Marketing

We can look at marketing from different perspectives in order to better understand it, and to understand its importance to our business.



We can use a **wants/needs perspective**, finding out what our potential customers want or need, so that we can promote our product or service as meeting that want or need.

We can use a **problem-solving perspective**. Our potential customers have a problem, and we promote that we have a product or service that offers a solution.

We can use a **relationship perspective**. We build a relationship with our potential customers so that when they have a need or want that we can meet, they trust us enough to work with us.

We can use the different perspectives on marketing above to identify how we will approach the marketing for our business. Here are the different perspectives for our hypothetical business Perfect Pet Services.

Perspective on Marketing	Your Business
What do your customers want or need?	Our customers need reliable and expert help to take care of their pets during the day when they are at work.
What problem do our customers have that we can solve?	Our customers do not have time to take care of their pets during the day due to their busy schedules.
What is the relationship that you have with your potential customers?	We provide information to our potential customers on our website, with pet care tips and reviews of the latest pet care products, establish that we are pet care experts.



Use the different perspectives on marketing above to identify how you will approach the marketing for your business. Complete the chart below following the example given above.

Perspective on Marketing	Your Business
What do your customers want or need?	
What problem do our customers have that we can solve?	
What is the relationship that you have with your customers?	

## 2. Target Market Analysis

We introduced the concept of target market in the business planning module. You wrote a brief description of the people to whom you want to sell your products or services. We will take a more detailed look at your target market so that you can better understand who your customers are.

A detailed description of our target market should include the following information:

- Age
- Gender
- Marital status
- Profession or career
- Income level
- Level of education
- Geographic location
- Ethnic background
- Religion
- What type of house do they have?
- What type of car do they have?
- What types of pets do they have?
- Where do they shop?
- What technologies do they use?
- What are their interests?
- What non-work activities do they do?
- How would they describe their lifestyle?

We might also want to know how they make their purchasing decisions:

- Who makes the purchasing decisions?
- How many decision-makers are there?
- Are they likely to purchase once, fairly frequently, or many times?
- Are they risk-takers in their decision-making?
- Who influences their decision-making (family, friends, co-workers)?

It is also important to keep in mind the **80-20 rule**—80% of our business's revenue is generated by 20 percent of our customers. This makes it really important for us to understand our target market, especially that 20% that will get us 80% of our revenue.

Here is a brief target market analysis of the hypothetical business, Perfect Pet Services. Questions that are not relevant have been left out.

*The target market is mid-to-high income, well-educated professionals in their thirties and upwards. They may or may not have children or be caring for parents. They are located in our immediate neighbourhood or within a maximum of a 10-15 minute drive. They have one or more pets, usually dogs or cats. They have a busy, fast-paced, multi-career lifestyle, often with significant travel. They use their mobile phones, specifically apps, to schedule their personal and professional lives. There may be at least two decision-makers in the families, the wife and the husband. They are influenced in their decision-making by close friends and work colleagues. They are likely to be looking for a pet service that they can use regularly and build a strong and long-term relationship with.*



Write a detailed description of your target market using the prompts above.

### 3. Competitor Analysis

We also introduced the concept of competitor analysis in the business planning module. You wrote a brief description of your competitors. We will take a more detailed look at your competitors through a series of questions.

1. Who are my competitors?
2. What products or services do they offer?
3. What do they charge?
4. How have they positioned their products or services in terms of quality?
5. Where are they located?
6. How long have they been in business?
7. How big are they in terms of number of employees?
8. What percentage of the market do they have?
9. What are their strengths?
10. What are their weaknesses?

To get information about our competitors we can use any of the following data gathering techniques:

1. Search their websites.
2. Search industry websites.
3. Visit them and pretend to be a customer.
4. Phone them and pretend to be a customer.
5. Visit trade shows or exhibits.
6. Talk to someone who in a similar but not competing industry.



Write a detailed competitor analysis of at least one of your competitors.

## 4. Branding

Now that we know more about our target market and our competitors it is time to focus on our own marketing. We will look at a number of key concepts in marketing, starting with branding.

### 4.1 What is Branding?

**Branding** is the creation of a name and **logo** or symbol for our business so that our target market, our potential customers, can easily identify our business, products and services. Branding, when done well, leaves an impression on our target market so that they remember us. Branding also helps us to distinguish our business from our competitors.



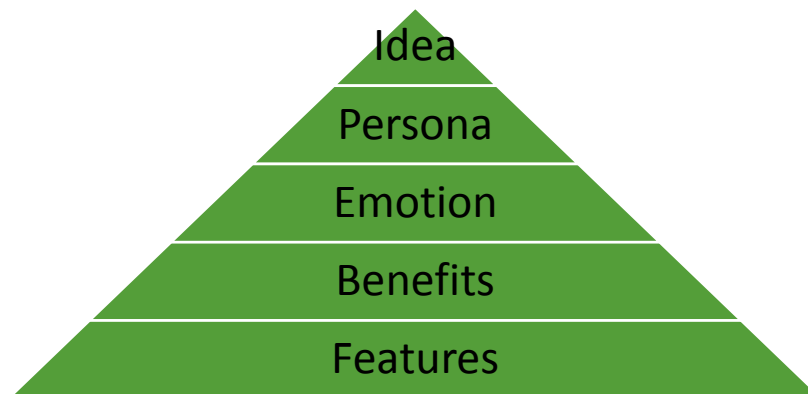
1. What are your favourite brands? Why do you like them?



2. Now think about your own brand. What is the name of your business? Do you have a logo for your business? If yes, what does it look like? If no, what are your ideas for your logo?

#### 4.2 What is a Brand Pyramid?

We don't always immediately know what to name our company or what we want our logo to look like. To help get our thinking going we can create a brand pyramid. **A brand pyramid** makes us think about the core of what our business is and how we want to communicate that to our customers. We don't actually share our brand pyramid with our customers but we use it to guide our marketing and communication.



Starting at the bottom, **features** are what we do with our business that are unique and that have value for our customers. For example, with our hypothetical business, Perfect Pet Services, our features are daily visits to pets whose owners work long days at work by an expert animal care-giver.

Moving upwards in the pyramid, **benefits** are the results for the customer because of the features we provide. For example, with Perfect Pet Services, the benefits are the pets receive the care and attention they need and the owners can be reassured that their pets are well-looked after and happy.

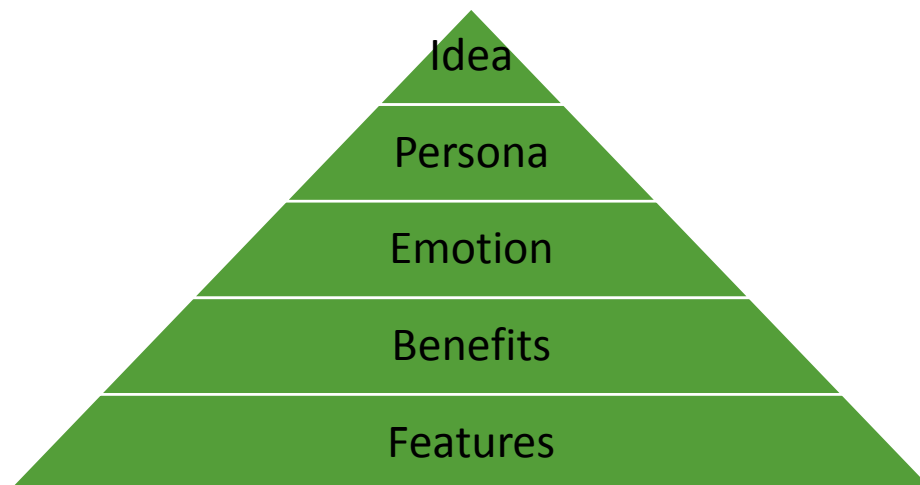
The **emotion** is what we want our customers to feel when they purchase our product or services. With Perfect Pet Services, the emotions are *reassured* and *guilt-free*.

The **persona** is the characteristics our business would have if it were a person. With Perfect Pet Services, the persona is *reliable* and *caring*.

And finally, the **idea** is the fundamental, core concept of our business. With Perfect Pet Services, the idea is to support busy families with pet care.



Complete a brand pyramid for your business, writing your ideas next to each line in the pyramid.



## 5. Key Messages

Closely related to branding are our key messages. We can take what we uncover about our business with our brand pyramid and turn it into messages for our potential customers. Our **key messages** are the exact words we use to communicate to our target market about what makes our business unique and why they should be our customers. For example, with Perfect Pet Services, our key messages might be:

- *We take care of your pets when you can't.*
- *We care about your pets just as much as you do.*



Write at least two key messages for your business.

## 6. Marketing Channels

Once we know what we want to tell our target market about our business, we need to decide how we are going to get that information to them. For this we need marketing channels.

**Marketing channels** are the ways in which we get our message to our customers. Changes in technology have given us many more marketing channels today than we used to have. These changes have also given us more cost effective options.



Using the checklist below, decide which marketing channels you will use for your business. In your decision-making factor in which channels will reach your target market as well as the cost of the channel.

Print Text and Image	Digital Text and Image	Audio	Video	Social Media
<input type="checkbox"/> Flyers <input type="checkbox"/> Posters <input type="checkbox"/> Print ads in magazines or newspapers <input type="checkbox"/> Billboards	<input type="checkbox"/> Website <input type="checkbox"/> Email <input type="checkbox"/> Text message <input type="checkbox"/> Email newsletters <input type="checkbox"/> Google ads	<input type="checkbox"/> Telephone <input type="checkbox"/> Radio <input type="checkbox"/> Podcast	<input type="checkbox"/> YouTube videos <input type="checkbox"/> YouTube ads <input type="checkbox"/> Other streaming services ads (specify): <input type="checkbox"/> TV	<input type="checkbox"/> Facebook <input type="checkbox"/> Twitter <input type="checkbox"/> LinkedIn <input type="checkbox"/> Instagram <input type="checkbox"/> Pinterest <input type="checkbox"/> Snapchat <input type="checkbox"/> Other social media (specify): <input type="checkbox"/>

## 7. Marketing Mix

Our final set of marketing decisions, is to pull together all of our planned marketing activities into a marketing mix, the collective set of marketing decisions we have made and the activities we are going to use to connect with our target market. **Marketing mix** is also known as the **Five P's**—**product, people, price, place (distribution) and promotion.**



### 7.1 The Product

The **product** is what we have to offer to our target market. It can be either a product or a service. We need to make sure we clearly define our product or service so that our target market knows exactly what we have to offer.

Besides answering the basic question of what our product or service is, we also need to explore it in more detail with questions such as:

- If we have a product, how is it designed, how is it labelled and how is it packaged?
- What variations on the basic product or service can customers select from?
- How do we want to position the product or service? Is it high quality, high price? Low quality, low price?



Write a detailed description of your product, using the questions above as prompts.

## 7.2 The People

The **people** includes everyone who is involved in the marketing of the product or service. With a new company that is being started without much money, this is usually just one person—the entrepreneur. As the business gets bigger, more people may be brought on board to help with the marketing. Alternatively, today, many small businesses choose to outsource marketing tasks, for example, graphic design, website design and maintenance, or social media posting.

## 7.3 The Price

The **price** is the amount we charge so that we can generate revenues that cover our costs and return a profit. When setting our price we have to consider both internal and external factors. **Internal factors** affecting our price include: fixed costs (costs that don't change regardless of how much we sell), variable costs (the cost tied to each product or service delivery), our positioning (quality versus price), business objectives (growth, social entrepreneurship, survival). **External factors** affecting our price include: customer demand, the competitiveness of the market, the costs charged by our suppliers, government laws and regulations, seasonal demand, weather events, current events, and the overall economy.

The Law of Demand also factors into our pricing decisions. **The Law of Demand** states that when prices rise, demand falls and vice versa, when prices decrease, demand increases. With our pricing we need to find the middle point.

We also have to understand the **price range** for our product or service. The **price ceiling** is the highest price that a customer is willing or able to pay. The **price floor** is the lowest price at which a customer will make a purchase, based upon the perception of price as an indicator of quality.

Here are some other pricing strategies to think about.

Pricing Strategy	Rationale
Odd rather than even	The belief that customers respond more positively to an odd number price just below an even number, rather than an even number. For example, customers like \$5.99 rather than \$6.00.
Discounts	The belief that customers respond to “getting a bargain” with their purchase through a discount, sale or coupon code.
Immediate payment	If customers pay immediately they pay less than if they pay in installments.
Bundling	If customers buy two or more products or services together they get a lower price.
Loss leader	Sell one product or service at a loss in order to get customers to purchase a more expensive product or service.

Seasonal pricing	Pricing in the off-season is lower than in the high season.
Trial pricing	Customers pay a lower price during a trial period. They then pay the full price when they fully commit to the service.
Differential pricing	Charge each customer what they can or will pay.
Product-line pricing	Have a range of price points within your product or service line, depending on quality variations.



Look at the pricing for your products or services that you have in your basic business plan. Do you want to make any changes to any of your pricing based on the pricing strategies above?

#### 7.4 Place

The next component of our marketing mix is place, or distribution. **Place** is where, when, and how our product or service is made available to customers.

We want to make our products or services available to customers **where** they are wanted—online, in a store, in an office, in the client’s home. We want to make our products or services available **when** customers want them. And we want to make our products or services available **how** our customers want them—in the right quantities, colours, sizes and shapes.



Briefly describe where, when and how you will make your products or services available to your customers.

## 7.5 Promotion

**Promotion** is how we communicate with our target market. This includes the information from our brand pyramid and our key messages, as well as our marketing channel decisions.

Promotion is very difficult today because we live in a world that is saturated with advertising. Our promotion takes place in a very noisy, cluttered environment with every business trying to get itself noticed. We also have to keep in mind that our potential customers need to see our promotional material on average **seven times** before they will decide to act on it, so we have to use different ways to get them the message multiple times.

We can be systematic with our promotion with a **promotion plan**, a calendar of all of our marketing activities. The calendar indicates which marketing activities we will do each day, week and month. Identify promotion goals, promotion assignments (who will do what), developing message, selecting promotion type, allocating the budget, implementing, evaluating.



In a separate document or on a separate paper, create a one-month promotion plan for your business.

## 8. Marketing Metrics

While we can't predict how well our marketing will work, we should have an idea in our minds of what outcomes we want from our marketing. These outcomes should be attainable and realistic with a clear time frame. The most common approach to making our marketing targets is to use marketing metrics. **Marketing metrics** are numerical ways that we can measure the impact of our marketing. Marketing metrics can include:

1. Total marketing dollars spent.
2. Marketing dollars spent in each marketing channel.
3. Total number of sales.
4. Total number of customers.
5. Average number of sales per customer.
6. The number of repeat customers.
7. Total sales per marketing dollar spent.



Identify marketing metrics that you can use to measure the outcomes of the marketing for your business.

## 9. A Marketing Plan

If we put all of the work we have done on marketing our business into one document, we have a complete and detailed **marketing plan** to follow as we run our business.



In a separate file or a separate piece of paper, compile all of the work you have done in this module together into a brief marketing plan for your business.

## 10. Review and Wrap-Up

### 10.1 Review

1. What is Marketing?
2. Target Market Analysis
3. Competitor Analysis
4. Branding
5. Key Messages
6. Marketing Channels
7. Marketing Mix
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10.2 Complete the concept checking quiz as a class.

10.3 Ask any final questions.



## 11. Additional Resources

*Marketing Plan Template:* The Business Development Bank of Canada has a detailed marketing plan template to use if you are applying for funding or a loan.

<https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/templates-business-guides/pages/marketing-plan-template.aspx>

*A 5-Step No-Nonsense Marketing Plan:* This is a blog from the Business Development Bank of Canada with good reminders of how to develop a marketing plan.

<https://www.bdc.ca/en/articles-tools/marketing-sales-export/marketing/pages/5-no-nonsense-strategies-attract-customers.aspx>

Godin, Seth . (2018). *This is Marketing: You Can't Be Seen Until You Learn to See.*

ISBN-13: 978-0525540830

This readable book offers good reminders about core marketing ideas that all entrepreneurs and small business owners need to remember.

Miller, Donald. (2017). *Building a StoryBrand: Clarify Your Message So Customers Will Listen.*

ISBN-13: 978-1400201839

This book focuses on how to tell a compelling story of our company and our brand so that we can connect with our customers.