



# ERASMUS PROJECT

## MARKETING STRATEGIES



Mel King Institute  
for community building



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# SMALL BUSINESS MARKETING STRATEGIES FOR ICT

- Get started: Brainstorm, create themes, develop an elevator pitch, plan a soft opening or invitation-only event
- Get a Website: Mobile-friendly, search-engine optimization, Google analytics
- Leverage social media: Create a Facebook page
- Target the type of products or services you offer; Use Google AdWords
- Create local awareness and establish a network: Join chambers, business associations, community groups; sponsor events; give away swag
- Offer free products/services, customer discounts, and promotions; track customer response
- Advertise
- Aggressively solicit referrals: offer incentives, use email
- Recontact old customers
- Partner with complimentary businesses
- Promote your expertise
- Manage online ratings and review sites

# 1. THE MARKETING MIX - PRODUCT

- Product design – features, quality

## **50 most iconic product designs:**

<https://www.complex.com/style/2013/02/the-50-most-iconic-designs-of-everyday-objects/jc-pennys-coffee-maker>

## **VIDEO Lumio:**

<https://www.youtube.com/watch?v=kwz1cfN6c0Q>  
(1:47)

- Product assortment – product range, product mix, product lines
- Branding
- Packaging and labeling

## **8 iconic packaging designs:**

<https://blog.hubspot.com/marketing/iconic-packaging-designs-stories>

- Services (complementary service, after-sales service, service level)
- Guarantees and warranties
- Returns
- Managing products through the life-cycle



# THE MARKETING MIX - PLACE

- Strategies such as intensive distribution, selective distribution, exclusive distribution
- Franchising
- Market coverage  
VIDEO Ikea Place: <https://www.youtube.com/watch?v=UudV1VdFtuQ> (1:00)
- Channel member selection and channel member relationships
- Assortment
- Location decisions

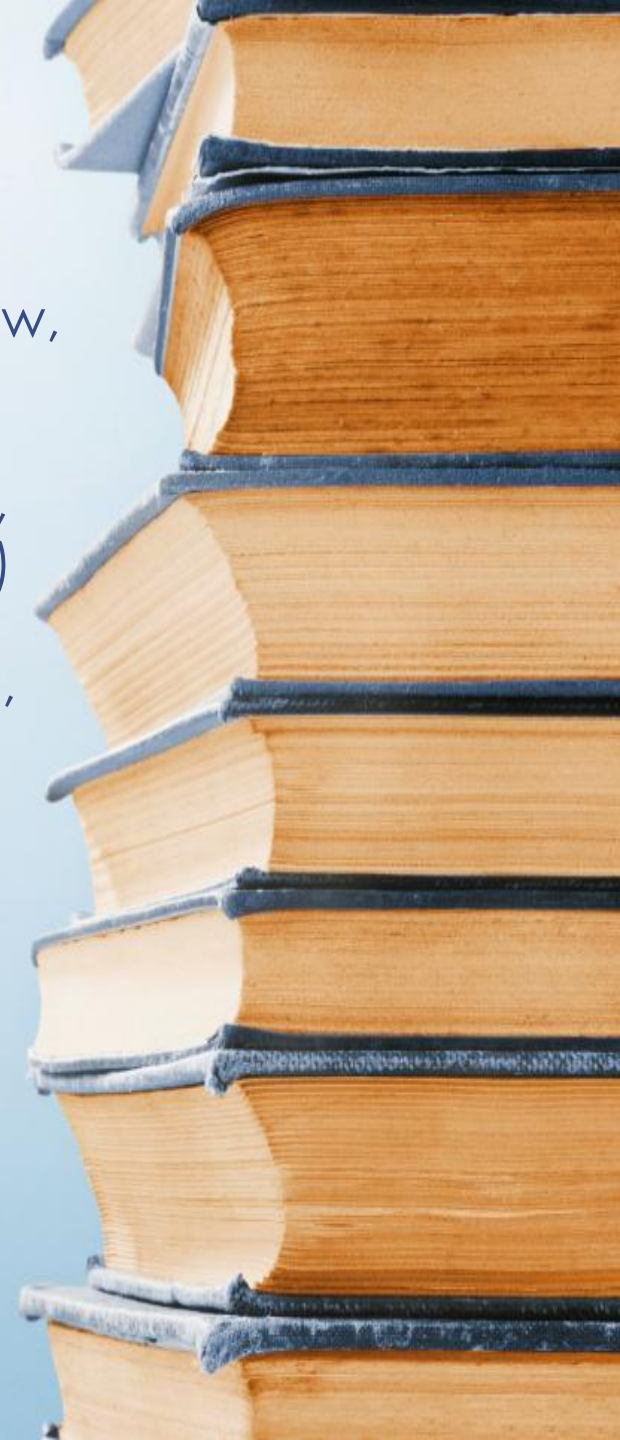
VIDEO: Beacon Technology  
<https://www.youtube.com/watch?v=ZGL0HpNm5BY> (3:31)

- Inventory
- Transport, warehousing and logistics



# THE MARKETING MIX - PRICE

- Price strategy (Every Day Low Pricing, High/Low, Penetration Pricing, Price Skimming)
- Price tactics (Markdowns, Seasonal Discounts, Coupons, Rebates, Leasing, Bundling, Leader)
- Price-setting (Cost-Based, Competition-Based, Value-Based)
- Payment terms – (credit, payment methods)



# THE MARKETING MIX - PROMOTION

- Promotional mix - appropriate balance of advertising, PR, direct marketing and sales promotion
- Message strategy - what is to be communicated
- Channel/ media strategy - how to reach the target audience
- Message Frequency - how often to communicate

Worst Promotions in History:

<https://www.4allpromos.com/blog/2018/04/ten-worst-corporate-promotional-events-all-time-0>



# 4 P's Exercise

- 1 – Create a simple two-column table with 8 rows in each.
- 2 – Label the left column “Low-cost Frequent Purchase” and the right column “High-cost One-Time Purchase”
- 3 – Label the rows, from top to bottom: Brand, Product, Price, Promotion, Place, #1 Reason I Bought, Alternate Brand, #1 Reason I Didn't Buy
- 4 – Complete the chart as follows, starting with the left column:
  - Choose a low-cost item that you buy regularly (Coffee, toothpaste, razor blades, etc)
  - List the Brand, Product, and Price you paid in the first three boxes
  - List the most recent Promotional piece for that product you saw (commercial, ad, website, etc), and whether you believe it influenced your choice
  - List the Place you made your purchase (Walmart, Starbucks, Online, etc)
  - List the #1 Reason you bought that particular product (price, quality, taste, etc)
  - List a competing brand that would be your #1 choice as an alternate if you couldn't buy your preferred item
  - List the #1 reason you did not choose that brand
- 5 – Repeat those actions for the right column, but with an expensive product you don't buy often. (Car, Vacation, TV, computer, etc)

## 2. SEGMENTING, TARGETING & POSITIONING

### Market Segmentation

- Identify bases for segmentation
- Determine important characteristics of each market segment



### Market Targeting

- Evaluate potential and commercial attractiveness of each segments
- Select one or more segments



### Product Positioning

- Develop detailed product positioning for selected segments
- Develop a marketing mix for each selected segment



# SEGMENTATION

## Market Segments Should Be Identifiable, Substantial, Reachable, Responsive, & Profitable

VIDEO: [https://www.youtube.com/watch?v=nU\\_oV0N414A](https://www.youtube.com/watch?v=nU_oV0N414A) (2:52)

- Demographic Segmentation (age, gender, race, income, religion, occupation, etc.)
- Geographic Segmentation
- Benefit Segmentation
- Behavioral Segmentation – buying patterns of customers (usage frequency, timing, journey stage, brand loyalty, benefits needed, etc.)
- Psychographic Segmentation - <http://www.strategicbusinessinsights.com/vals/ustypes.shtml>

<http://www.strategicbusinessinsights.com/vals/demobehav.shtml>

Psychographics; The behavioral analysis that helped Cambridge Analytics know voter's minds:

<http://theconversation.com/psychographics-the-behavioural-analysis-that-helped-cambridge-analytics-know-voters-minds-93675>

# MARKET SEGMENTATION RESEARCH

- *Conduct Preliminary Research* – Get to know your customers better by asking some initial, open-ended questions.
- *Determine How To Segment Your Market* – Decide which criteria (i.e. demographics/firmographics, psychographics, or behavior) you want to segment your market by.
- *Design Your Study* – Ask a mix of demographic/firmographic, psychographic, and behavioral questions. Be sure to make your questions quantifiable.
- *Create Your Customer Segments* – Analyze your responses either manually or with statistical software to create your segments.
- *Test and Iterate* – Evaluate your segments by ensuring they are usable and helpful. If they aren't, try segmenting based on other criteria.

*A good segmentation analysis should pass the following tests:*

- Measurable
- Accessible
- Substantial
- Actionable

- From Qualtrics.XM

# 3. THE MARKETING CONCEPT

## The Production Concept

- Can we produce the product?
- Can we produce enough of it?

## The Sales Concept

- Can we sell the product?
- Can we charge enough for it?

**VIDEO: Mad Men “Lucky Strikes Cigarettes Pitch”:** <https://vimeo.com/123757690>  
(5:50)

## The Marketing Concept

- What do customers want?
- Can we develop it?
- How can we keep our customers satisfied?

**VIDEO: Mad Men “Belle Jolie Lipstick Pitch”** <https://www.youtube.com/watch?v=5y4b-DEklps> (2:06)

# 4. TARGET MARKETING

## **Mass Marketing Strategy (Undifferentiated)**

Example – Commodities, Coca-Cola

Advantages – Massive sales, scale efficiencies

Disadvantages – Overexposure, increased competition, geographical differences, less personal

## **Differentiated Targeting Strategy (Two or more segments)**

Example - Conde Nast niche magazines (Glamour, Golf Digest, SELF, bon appetite, VOGUE, Vanity Fair, The New Yorker, Teen Vogue, GQ Gentleman's Quarterly, Pitchfork)

Advantages – Cost efficient, chance for organic growth, sales maximization, strong margins, brand loyalty

Disadvantages – Expensive to develop unique products, messages, campaigns promotional tactics and investments

# TARGET MARKETING

## **Concentrated Targeting Strategy (focus on a single niche market)**

Advantages – good for small businesses with limited resources, potential for high profits,

Disadvantages – Dependent on small market, requires specialized marketing plan, lacks flexibility

## **Micromarketing Strategy (one-to-one)**

Example – Groupon

Advantages – Highly targeted, cost effective, user-generated growth

Disadvantages – High acquisition cost, misjudging market, time-consuming

# POSITIONING

- Value Proposition:

LYFT – “Rides in Minutes”;

Vimeo – “Make Life Worth Watching”; Pinterest – “The World’s Catalog of Ideas”.

- Product Attributes/Benefits
- Price/Quality

- Use or Application
- Product Class
- Cultural Symbols
- Competition

# MARKET SEGMENTATION EXERCISE

Match at least one product and/or service that you have purchased this year that corresponds to one segment of the following groupings:

- Demographic Segmentation (age, gender, race, income, religion, occupation, etc.)
- Geographic Segmentation
- Benefit Segmentation
- Behavioral Segmentation – buying patterns of customers (usage frequency, timing, journey stage, brand loyalty, benefits needed, etc.)
- Psychographic Segmentation

# BUSINESS TO BUSINESS (B2B) MARKETING

## Six Buying Roles:

- The Initiator
- The Influencer
- The Decider
- The Buyer
- The User
- The Gatekeeper

## The Buying Situation:

- The New Buy
- The Modified Rebuy
- The Straight Rebuy

## Firmographic Segmentation:

- Industry
- Location
- Company Size (annual revenue, number of employees)
- Legal Status (LLC, limited partnership, etc.)
- Performance
- Executive Title
- Sales Cycles Stage (awareness, consideration, decision)



# BUSINESS TO BUSINESS (B2B) MARKETING

How B2B marketing is different from consumer marketing:

- B2B markets have a more complex decision-making unit
- B2B buyers are more rational and longer-term buyers.
- Limited number of buying units in B2B markets.
- B2B markets have fewer behavioral and needs-based segments.
- Personal relationships are more important in B2B markets.
- B2B markets drive innovation less than consumer markets, are more demanding, and often more complex.
- Consumer markets rely more on packaging.

Taken from B2B International website: <https://www.b2binternational.com/publications/b2b-marketing/>

# WHY WE BUY: RETAIL

## *Good Performance Indicators:*

- Conversion rate – percentage of shoppers who become buyers
- Time spent rate
- Interception rate - transition zones
- Waiting time - single most important factor in consumer satisfaction
- Capture rate - how much in what is on display is seen by shoppers (eyes to knees, endcaps, chevrons)
- Boomerang rate - number of shoppers who fail to walk completely through an aisle (position most popular goods halfway down the aisle)

## *What Shoppers Love:*

- Touch - involvement
- Mirrors - the more the better
- Discovery
- Talking
- Recognition
- Bargains - Ikea

# WHY WE BUY: RETAIL

## *Women:*

- Take pleasure in shopping; demand more of shopping environment
- Like to shop with friends
- Want more space around them as they shop
- Time spent in store from highest to lowest: with female companion, with children, alone, with a man

## *Men:*

- Do not enjoy shopping
- Move faster than women through a store
- Don't like to ask staff for help; get info about merchandise from written sources.

From [Why We Buy](#) by Paco Underhill

*Race, Ethnicity and the Way We Shop:*

<https://adage.com/article/american-demographics/race-ethnicity-shop/44089>

# 6. MARKET RESEARCH

## TYPES of DATA:

*Secondary Data: Public information collected by others.*

- External Secondary Data (U.S. Bureau of the Census <http://www.census.gov> ; U.S. Bureau of Labor Statistics <https://www.bls.gov/>)
- Syndicated External Data (e.g. scanner data)
- Internal Secondary Data (Google Analytics: <https://analytics.google.com/analytics/academy/course/6/unit/1/lesson/2> )

*Primary Data: Data observed or collected directly from first-hand experience.*

- Observation
- Social Media (Facebook, Twitter, Instagram, WhatsApp)
- Interviews **VIDEO: Mad Men** <https://www.youtube.com/watch?v=IWpuZodOQP0> (1:26)
- Focus Groups **VIDEO: Frazier** <https://www.youtube.com/watch?v=UlnbPO1Shus> (2:50)

*Sample Small Business Marketing Plan:*

- <https://www.sba.gov/sites/default/files/2017-07/Sample%20Marketing%20Plan%20%28for%20508%20remediation%29.pdf>

# MARKET RESEARCH

## *USES of MARKET RESEARCH:*

- Identify opportunities to serve various groups of customers.
- Examine the size of the market – how many people have the unmet need.
- Determine the best methods to meet the unmet needs of the target markets.
- Investigate the competition.
- Clarify your unique value proposition.
- Conclude if the product is effectively meeting the needs of the customers.
- Conclude if your advertising and promotions strategies are effective or not.

# BIG DATA FOR SMALL BUSINESS

- Facebook Marketing in 2020: How To Use Facebook for Business

<https://blog.hootsuite.com/facebook-marketing-tips/#setup>

- Basic Introduction to using Google Analytics for Small Business Owners

<https://www.youtube.com/watch?v=qPFQHgXajHQ> (4:56)

- What is Google Ads? How Google AdWords in Five Minutes

<https://www.youtube.com/watch?v=NV4DCdyLNgu>

- What is a POS and Why Does Your Business Need One?

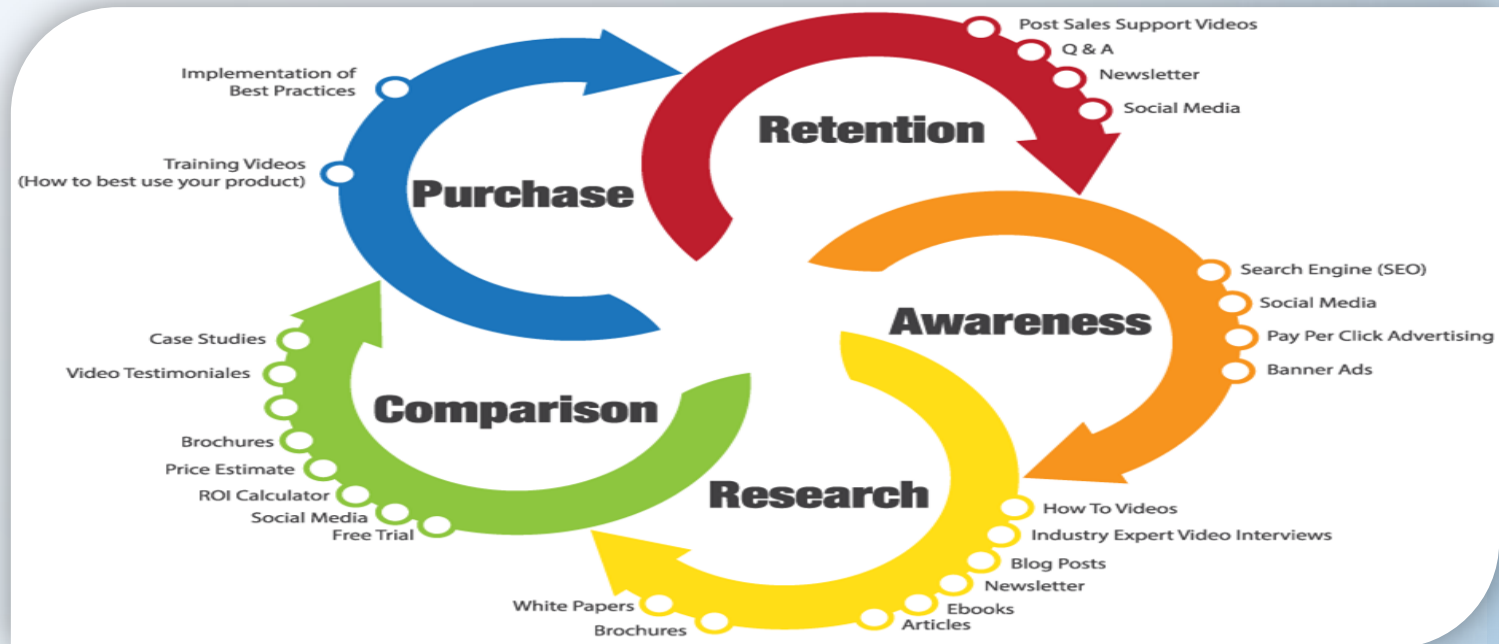
<https://www.sba.gov/blog/what-pos-why-does-your-business-need-one>

- Email marketing

<https://www.constantcontact.com/features/email-tracking-software>

# 7. CUSTOMER LIFE CYCLE & CUSTOMER LIFETIME VALUE

- Awareness
- Research
- Comparison
- Purchase
- Retention



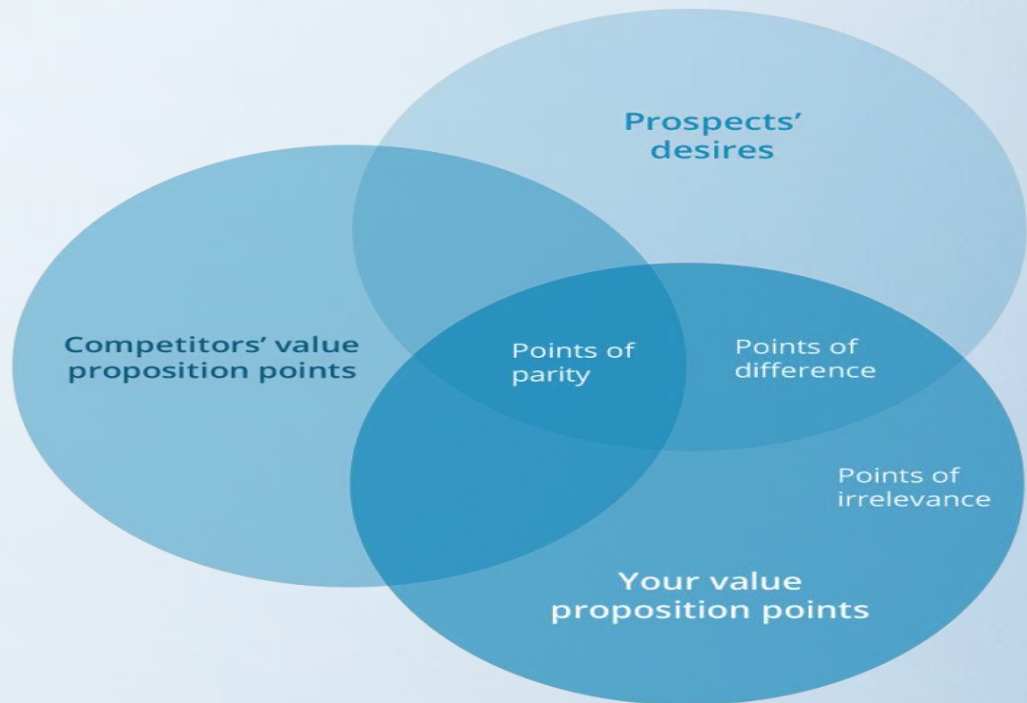
The Customer Lifetime Value (CLV) is a prediction of the total value (*mostly expressed in net profit*) generated by a customer in the future across the entire customer life cycle. The value of the customer lifetime looks at the investments we plan to make for the customers (retention, sales, promotion, customer service, whatever) and the return we expect from them.

How To Calculate CLV: <https://www.thebalancesmb.com/how-to-calculate-the-lifetime-value-of-a-customer-4173824>

# CUSTOMER VALUE PROPOSITION

A value proposition is a promise of value to be delivered. It's the primary reason a prospect should buy from you.

- Relevant
- Specific
- Differentiated



The 31 Best Value Proposition Examples You Wish You Had:

<https://www.impactbnd.com/blog/value-proposition-examples>



# 8. CUSTOMER RELATIONSHIP MANAGEMENT

*For small businesses, customer relationship management includes:*

- Processes that help identify and target their best customers, generate quality sales leads and plan and implement marketing campaigns with clear goals and objectives
- Processes that help form individualized relationships with customers (to improve customer satisfaction) and provide the highest level of customer service to the most profitable customers
- Processes that provide employees with the information they need to know their customers' wants and needs and build relationships between the company and its customers.

*The Benefits of CRM include:*

- Customer relationship management gathers comprehensive data about customers, their needs and preferences, which can then be used to:
- Improve customer service and the customer's buying journey
- Drive product development
- Personalize advertising
- Find new customers
- Increase sales

# CUSTOMER RELATIONSHIP MANAGEMENT

*What Kinds of Data Are Recorded by a CRM System?*

- Contact Details
- Customer Personal Profile
- Sales History
- Customer Communication
- Customer Feedback

*Free CRM Systems:*

- HubSpot CRM
- Freshsales
- Zoho CRM
- Really Simple Systems
- Workbooks.com
- Insightly
- Apptivo
- Capsule CRM
- Zoho ContactManager
- RAYNET CRM
- Agile CRM

# 9. THE POWER OF BRANDS

## ADDING VALUE:

- Brands Facilitate Purchases
- Brands Establish Loyalty
- Brands Protect from Competition
- Brands Are Assets
- Brands Affect Market Value














## BRAND EQUITY:

- Brand Awareness
- Perceived Value
- Brand Associations
- Brand Loyalty

## 5 Inexpensive Branding Strategies For Small Businesses

<https://99designs.com/blog/business/cheap-branding-strategies-small-business/>

From 99designs

Rank	Brand	Category	Country of Origin	Global Top 100 Rank	Brand Value 2018 \$ Million	Brand Value 2017 \$ Million	Brand Value % Change 2018 vs. 2017
1		Technology		1	302,063	245,581	+23%
2		Technology		2	300,595	234,671	+28%
3		Retail		3	207,594	139,286	+49%
4		Technology		4	200,987	143,222	+40%
5		Technology		6	162,106	129,800	+25%
6		Payments		7	145,611	110,999	+31%
7		Fast Food		8	126,044	97,723	+29%
8		Telecom Providers		10	106,698	115,112	-7%
9		Technology		11	96,269	102,088	-6%
10		Telecom Providers		12	84,897	89,279	-5%

Source: BrandZ™ / Kantar Millward Brown (including data from Bloomberg)

# NEW PRODUCT DEVELOPMENT

- Idea Generation (R & D, Licensing, Brainstorming, Outsourcing, Rival Products, Customer Input)
- Concept Testing (Concept Statement)
- Product Development (Prototypes)
- Market Testing
- Product Launch
- Evaluation of Product

**VIDEO: Shark Tank Products:**

<https://www.youtube.com/watch?v=vi6tbfp14-A> (1:06)

# TECHNOLOGY ADOPTION CYCLE

## DIFFUSION OF INNOVATION:

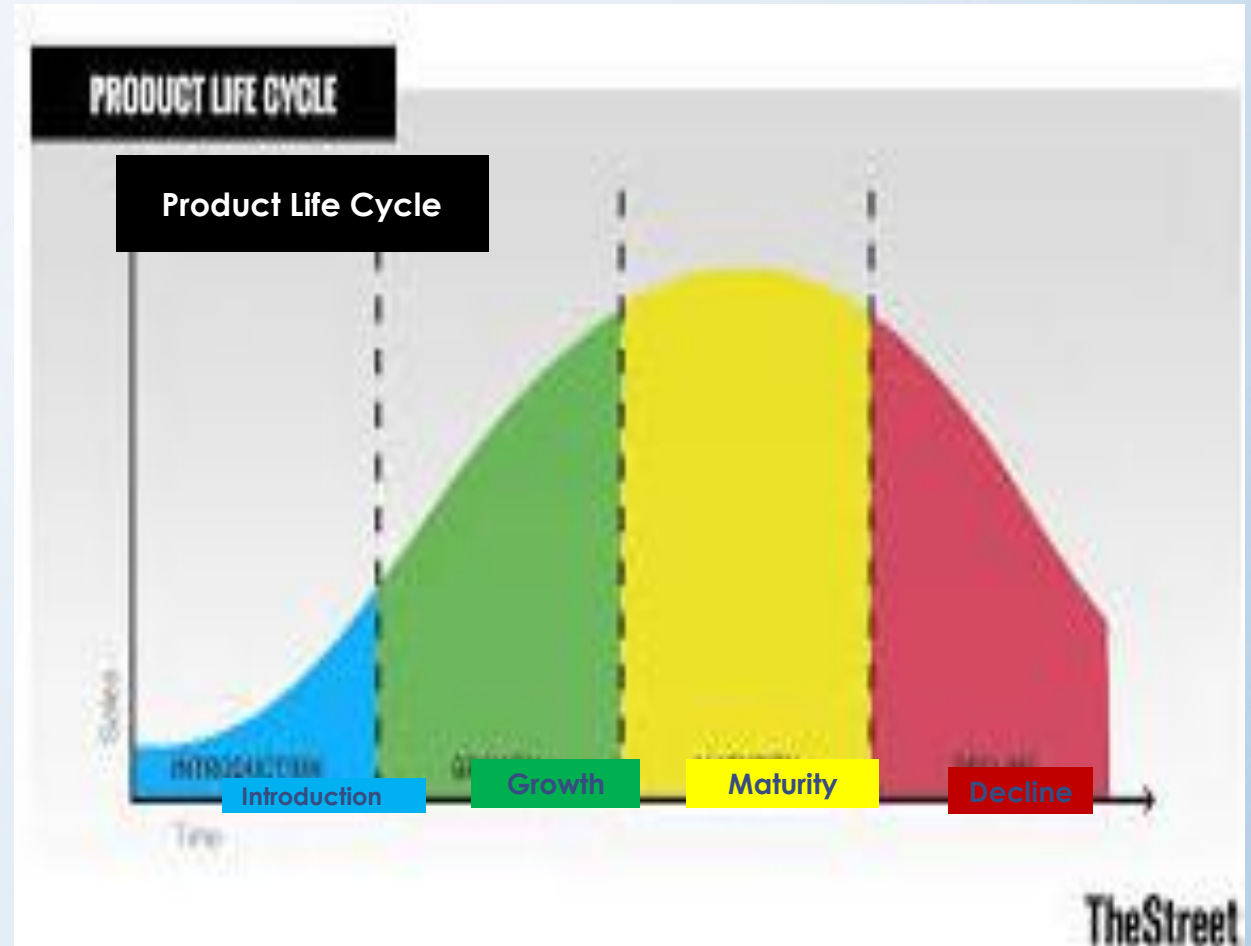
- Innovators – 2.5%
- Early Adopters – 13.5%
- Early Majority – 34%
- Late Majority – 34%
- Laggards – 16%

## PACE OF INNOVATION:

- Relative Advantage
- Compatibility
- Observability
- Complexity and Trialability

# PRODUCT LIFE CYCLE

- Introduction Stage
- Growth Stage
- Maturity Stage
- Decline Stage



# 10. SOCIAL MEDIA MARKETING

## *Why Small Businesses Need Social Media:*

- Your customers are on social media (60% of people access social media every day)
  - Consumers will be more receptive to brand messages on social media (95% of adults age 18-34 follow a brand on social network)
  - Marketing on social media increases brand recognition and your inbound traffic.
  - Different social media channels help you reach specific audiences.
  - Social media advertising allows you to target and retarget ideal customers.
  - Marketing through social media is cost effective. (Cost per thousand impressions can be as low as \$2.50)
- 
- From Lyfe Marketing

# SOCIAL MEDIA MARKETING

## *Why Small Businesses Need Social Media:*

- Your competition is on social media.
- Social media marketing may help improve your search rankings and gives you the opportunity to gain new customer insights.
- Customers are looking for recommendations on social media.
- Social media helps connect your brand with customers you didn't know existed.
- Marketing through social media can help you improve brand loyalty and leads to higher conversion rates.

*From Lyfe Marketing*



# SMALL BUSINESSES WHO SUCCESSFULLY USE SOCIAL MEDIA ...

1. Commit weekly resources to creating content and engaging in social media.
2. Have some methods of understanding how social media activity had an impact on business results.
3. Regularly generate content using [blogs](#), Twitter, Facebook or other social platforms.
4. Don't try to do use every platform, instead focusing time and resources on the social media channels that drive the best results for their business.
5. Use social media to drive participation in offline events.
6. Set clear expectations for customers regarding frequency and types of social media interactions their company is willing to provide.
7. Provide clear calls-to-action and opportunities to generate leads and new customers using social media.
8. Use information and data from social media to drive business strategy.
9. Balance paid and organic [search engine](#) traffic.

- From HubSpot

# SOCIAL MEDIA MARKETING

## **Best Social Media Platforms:**

<https://www.lyfemarketing.com/blog/wp-content/uploads/2018/02/The-Best-Social-Media-Platforms-for-Social-Media-Marketing-in-2018.pdf>

## **Findings from 2019 Social Media Marketing Industry Report:**

<https://medium.com/@JBBC/10-key-findings-from-the-2019-social-media-marketing-industry-report-9ffb95b33926>

## **6 Standout Social Media Marketing Examples for 2019:**

<https://sproutsocial.com/insights/social-media-marketing-examples/>

## **The State of Small Business Marketing in 2019:**

<https://www.campaignmonitor.com/resources/guides/the-state-of-small-business-marketing/>