

MARKETING

Counsellor should be able to help his client – wannabe entrepreneur with marketing. Here is a guideline for the counsellor how to proceed with the topic.

It consists of three stages – the first is a very short “theoretical” input to explain some basic terms and rules. The second part shows these rules by using a practical example. And the third part explores wannabe-entrepreneur’s readiness to introduce his product/service to the market.

Lesson 1 Marketing mix

The marketing plan is one of the most important parts of your business plan since it explains how you are going to get your customers to buy your products/services. The marketing plan, then, will include sections detailing your:

- Products and/or Services and your Unique Selling Proposition
- Pricing Strategy
- Sales/Distribution Plan
- Advertising and Promotions Plan

The easiest way to develop your marketing plan is to work through each of these sections. If you want to sell something, you have to know your customers’ needs and wishes, you need to be anxious to please them and offer exactly what he needs or what he wants (e. g. improved products) or to convince him that he needs what you want to sell him (by effective and intensive advertisement).

Four sections of your marketing plan mentioned above represent the tools of a “marketing mix”.

RULE 1: Tools of marketing mix have to correspond to our client’s needs and requirements.

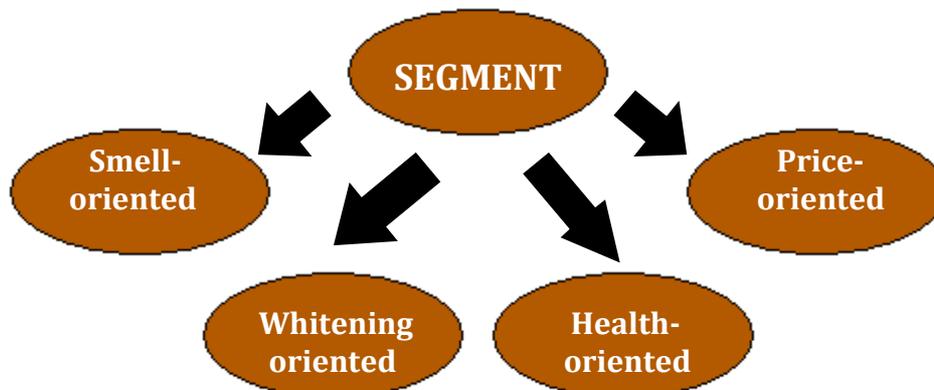
To define a plan of how you are going to offer and sell your product/service, you need to state demand for your product/service in the market – to do a research by asking the target group of clients or by getting the information from other available sources. As you will find out, there are many potential clients and their needs differ according to their age, profession etc. As an entrepreneur, you cannot satisfy all of them and offer your goods/services to all the spectrum of the prospective customers.

RULE 2: We need to divide potential clients into groups according to their needs (into “market segments”). Then, the key point is to decide which of these groups we are going to focus on and adjust tools of our marketing plan to their needs.

Lesson 2 Marketing mix - example

Case study "Toothpaste"

Producers found out that customers buy toothpaste for different reasons. They divided customers into four groups that differ in the motives and reasons for buying toothpaste.



It is almost not possible to introduce into the market a product – toothpaste, which would satisfy all the clients. The entrepreneur has to decide which target group of clients he wants to focus on and to adapt to their needs and requirements to these clients. (If he decides to address more than one target groups, he also has to choose more types or categories of products).

The following example will show us different characteristics of toothpastes for particular segments of clients from the marketing mix point of view.

SEGMENT	PRODUCT CHARACTERISTICS	ADVERTISING	DISTRIBUTION	PRICING
Smell-oriented	Nice fresh smell, colour, package and tube supporting the smell	Focused on women with children, distribution of samples	Broad, in most of the shops	Low price, focused on stepping into the market
Whitening-oriented	Strong whitening effects, package should support this image. Also colour of the toothpaste should support the impression of whitening effects	Focused people taking care of their visage, women, smokers. Flyers, tobacco shop, radio	Through drugstores, supermarkets, tobacco stores	Middle price
Health-oriented	Package similar to packages of	Focused on dental surgeries, pharmacies. Flyers, TV, radio	Through pharmacies, dealers	Higher price
Price-oriented	Package should attract your attention and inform about balance of all the characteristics – smell, colour, health effects. Low manufacturing costs	Focused on people with lower income, public places - shops	Through supermarkets, drugstores	Very low price

Lesson 3 Questions and answers

If you want to succeed in your business, you should be able to answer these basic questions:

1. Which questions should be a successful entrepreneur able to answer to?

If you want to succeed with your product or service in the market, you should know how to answer following questions related to the marketing mix. These answers are important to realize your chances to be successful in the market.

These questions can be divided into several sections:

- Product:
1. What does my product (service) differ in comparing to the others in the market?
 2. What advantages or benefits/bonuses does my product have for the target client?
 3. How could be the product improved?
 4. Does it fulfill the needs of a typical client?
- Price:
1. What is an appropriate price for the target group of clients?
 2. What is the minimum and the maximum price of the similar products (service) in the market?
 3. How will I decide prices for different segments of clients?
- Advertising:
1. How and where can I advertise my product (service) effectively and profitably?
 2. What should be an advertising “campaign” of my product like considering the clients and competition?
- Distribution:
1. What is the best way of distribution of my product (service) directly to the client?
 2. What are the best locations for consumption of my product (services)?
 3. What do clients like the most when shopping?

If you could not answer these questions, you should come back to the beginning to the question “Who are my clients”?

2. What does a successful entrepreneur have to know about his clients?

1. Who are my clients?
Age, gender, average income, profession, special interests, life style
2. Where are my clients?
Where do they live – a city, town, village, other places
3. What is their buying power like?
How much money are they willing to and able to spend for my product (service)

4. What exactly do they buy?

What kind of goods – branded or not branded, cheap or more expensive

What is the most important to them – experience, value, price, use

5. Where do they do shopping?

In the specialized stores, supermarkets or in the marketplace

6. Why do they shop?

The motive to pay for this product – does he need it for his job or is this just a hobby spending some money?

These questions are the basic step to prepare a good marketing strategy and succeed in the market. Before you decide to open up your business, you should be able to answer them.