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Acquiring Customers: Marketing Basics

LEARNING OBJECTIVES

- Evaluate the market through different market-research options
- Identify the 4 Ps of marketing and apply them to a small business
- Develop a SWOT analysis
- Develop marketing strategies that fit your company's needs
- Analyze customer response through various means

Case Study: Cone Crazy Needs a Market



Willa has named her brand and has (or at least *thinks* she has) a solid business model.

Now, how to get customers?

Market Research

- Investigation into customers' wants/needs to understand buying habits
- Two types:
 - PRIMARY:** Engaging directly with consumers
 - SECONDARY:** Gaining generalized understanding of consumers from reports, published data, and other artifacts

Market Research (cont.)

Primary research:

- Surveys
- Focus groups
- Direct observation
- Interviews

Focus Groups

Advantages

- When groups are carefully selected, information specific to your brand, market segment, and business can be acquired.

Disadvantages

- Participation incentives may be expensive.
- Participants may be motivated solely by incentives.
- Groups may not include your market segment.
- They can be time-consuming.



Market Research (cont.)

Secondary research:

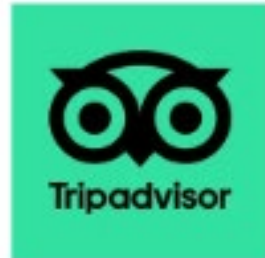
- Analyze customer reviews from reputable sites
 - Better Business Bureau
 - Yelp
 - Google Reviews
- [census.gov/quickfacts](https://www.census.gov/quickfacts)

Published, *reliable* sources offer key information!

Market Research (cont.)



Tip! Take care when using social media reviews as secondary research. They may be mixed/less reliable than other sources.



The 4 Ps of Marketing

1. Product: The item or service for sale

Value proposition of the product or service

2. Price: The fee customers are willing to pay

Competitively, at a premium, discounted

3. Placement: Where the product can be purchased

Online, brick-and-mortar stores

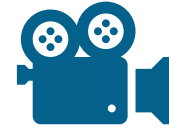
4. Promotion: How customers find out about the product

Social media, web pages



How will you stand out from the crowd?

SWOT Analysis



A strategic planning tool

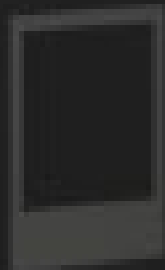
- STRENGTHS:** Optimization of value proposition, price point, resources
- WEAKNESS:** Internal shortfalls that need to be considered for long-term sustainability
- OPPORTUNITIES:** External aspects
Geographic location, demographic appeal, current market climate, future growth potential
- THREATS:** Watch for marketplace saturation; new entrants need a strong marketing presence

Polaroid



InstantPhoto
Black Frame Edition

Color i-Type Film



Case in Point: Polaroid Turns Down Digital Photography

Digital photography entered the market space of imaging businesses in the 1980s. Polaroid, a Cambridge, Massachusetts, based company was the leader in imaging at that time, but the Fortune 50 company pushed to continue in the coated-film market.

Would a SWOT analysis have revealed the need to expand into digital photography?

Marketing Strategies for the Entrepreneur

- Set a measurable goal
 - Should be specific, timely, and relevant
- Track key performance indicators
 - Consider benchmarks such as +20% sales in 30 days
- Set a campaign duration
- Analyze the results
 - Compare your results to your goals



Marketing Strategies (cont.)

- Search engine optimization (SEO)
- Social media marketing
- Content marketing
- Direct mail
- Paid media
- Conversation marketing
- Event management



What Does the Customer Response Tell You?

- Review the analytics
 - Are customers responding to your efforts via increased sales?
- Allow time for change/effect
 - Can take up to 180 days
- Understand the role of failure
 - Consider Pop-Tarts and New Coke

CHAPTER SUMMARY

- Investigate market potential via primary and secondary means.
- Consider marketing in terms of price, placement, promotion, and product.
- Identify your business's strengths, weaknesses, opportunities, and threats.
- Create market strategies that fit your market.
- Analyze the response to your efforts.