

Previously on E&I...

A sequence of steps you can follow to estimate your demand

A quick recap of Class 10

- ▶ An introduction to Product/Market fit
 - ▶ From Customer Validation to Customer Creation
- ▶ How to go from a literal description to a numeric estimation
 - ▶ Input: (Properly specified) Customer profiles
 - ▶ Output: Sales and production goals.
- ▶ Four steps
 - ▶ From profiles to populations
 - ▶ TAM
 - ▶ SAM
 - ▶ Target

ENTREPRENEURSHIP AND INNOVATION

Class 12 - The Marketing Plan: An Introduction

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Let's start with an exercise

- ▶ You have 15 minutes to work on the promotional strategy for Step 4's product
 - ▶ A pair of self-heating slippers
 - ▶ In your teams. You can choose any member's VP or create a new one.
- ▶ You must use what you learned from Flipped Classroom 8
- ▶ The maximum budget available is 1 million COP
- ▶ You will present your strategy to the class.



Let's now look at some suggestions on how to arrange those ideas

What is a Marketing Plan?

What is a Marketing Plan?

- ▶ A comprehensive list of the things you need to do in order to **win and keep** customers.
 - ▶ It's steered by a **marketing strategy**
 - ▶ Includes numbers, facts, **measurable objectives**, a timeline
 - ▶ Integrates all the tools and tactics necessary to achieve the sales goals
 - ▶ Perishable
 - ▶ Short, specific.

What is a Marketing Plan?

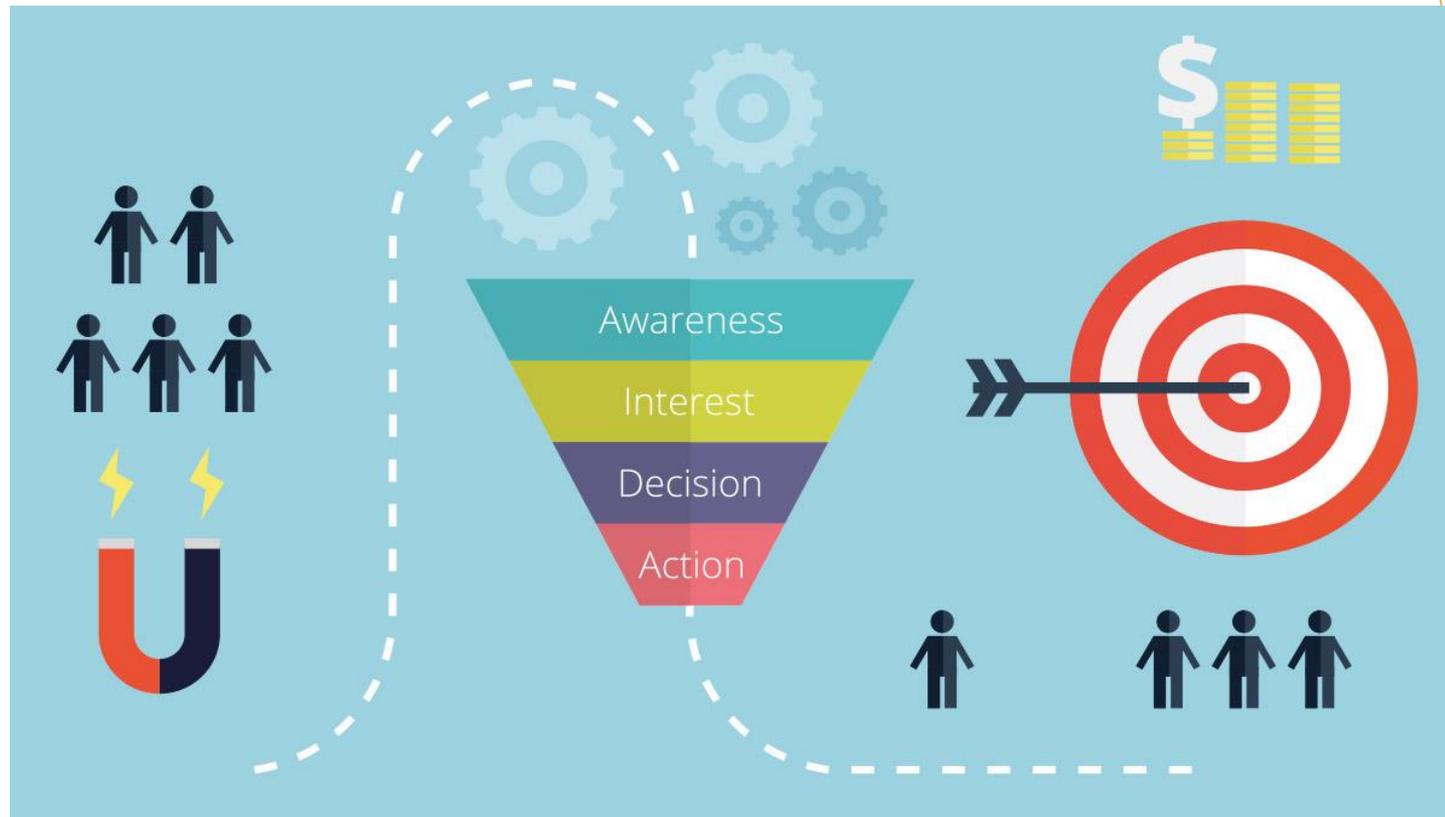
- ▶ A plan of action comprising
 - ▶ What you sell: VP.
 - ▶ Who buys it: (Primary) Market research.
 - ▶ The leads you'll generate to make that happen :
Communication and distribution channels,
messages.

Strategy? Tactics? Leads?

▶ Market Strategy

- ▶ In total, it describes **a way of engaging with the market:**
 - ▶ Diversification, Integration, Cannibalization, Second product line, etc.
 - ▶ Market leader, follower, niche-player, etc.
- ▶ Goals are written in terms of a market share, sales figures, brand positioning, etc.
- ▶ Marketing plans implement the strategy
 - ▶ A goal plus all the activities to achieve it.

Strategy? Tactics? Leads?



Marketing Plan

- ▶ Includes six basic components
 1. A diagnose
 2. A goal (no more than yearly, very specific, measurable)
 3. The strategy
 4. The “sub-goals” and tactics
 5. Measurement actions and indicators
 6. A budget

Classwork 12

- ▶ In your teams:
 - ▶ In a short sentence describe what each of those components is
 - ▶ Try to outline what elements of your project might apply there (or should be included)

- ▶ You have 10 minutes
 1. A diagnose
 2. A goal
 3. The strategy
 4. The “sub-goals” and tactics
 5. Measurement actions and indicators
 6. A budget

Marketing Plan

1. A diagnose
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The Diagnose

- ▶ Two parts:
 - ▶ Where we stand
 - ▶ Where the competition stands (where we are about to enter.)
- ▶ Where we stand:
 - ▶ Current performance stats: market share, potential demand, customer profile, etc.
- ▶ The competition?
 - ▶ Benchmarking.

Competitive Analysis

Marketing Plan

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A goal

- ▶ Increase our market participation in Bogotá by 15%, by the end of 2018.
- ▶ Expand into the 35-and-over segment of the population, with a 5% market share by the end of the first semester of the year.
- ▶ Double December 2017's sales figures for toy cars, in the same period of the year.
- ▶ Raise the benefit margins of our product XYZ by 2% in the second quarter of 2018.
- ▶ Introduce product XYZ in Bogotá's Estrato Socioeconomico 6 and 5 segments, with a minimum participation of 10% and sales of 50 million pesos by the end of 2018's second quarter.

A goal

- ▶ They are a result of the demand estimation process
- ▶ They reflect what you have learned about your TAM and SAM
- ▶ They are focused on your target

Product/Market fit

Marketing Plan

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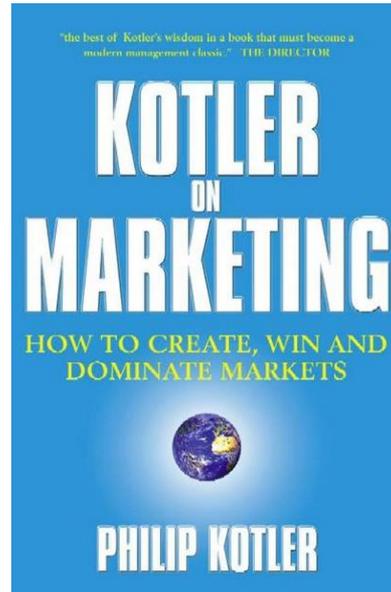
The Strategy

Though there are many, I'll show you the two most common ones:

- ▶ Marketing Mix: 4Ps
- ▶ USP (Unique Selling Proposition)

4Ps

- ▶ Product
- ▶ Price
- ▶ Place
- ▶ Promotion



Classwork 13

- ▶ In your teams:
 - ▶ Outline the 4Ps for your projects
- ▶ You have 5 minutes

Product

- ▶ What you are selling

- ▶ The Value Proposition

- ▶ ≠ Product

- ▶ A thorough description of the product or service,
relevant for the market

Value Proposition

Place

- ▶ Where is it available
 - ▶ Where it is easiest for the customer to find it
 - ▶ Use data to back this decision
 - ▶ Physical or not
 - ▶ Distribution channels, logistics, market coverage, for each segment or customer.

Price

- ▶ “Great value for my money”
- ▶ Different segments entail different **pricing strategies**
 - ▶ Premium Pricing
 - ▶ Freemium
 - ▶ Skimming
 - ▶ Bundling
 - ▶ Penetration pricing
 - ▶ First, second, and third degree price discrimination
 - ▶ Pay-what-you-want
 - ▶ Marginal pricing, etc.
- ▶ You can’t just pull it out of thin air.
- ▶ Closely linked to the business model generation.

Promotion

- ▶ All the advertising tools and techniques used to **get the right message to the correct audience.**
 - ▶ Informative
 - ▶ Appealing, seductive, credible...
 - ▶ Use the most effective venue/platform/resource/media for your target.
- ▶ Techniques
 - ▶ Advertising, Direct marketing, Product Placement, Viral Campaigns, Sponsorships, etc.
- ▶ Above the line, below the line, etc.

USP (Unique Selling Proposition)

- ▶ **Target Customer** (Demographic and Psychographic profile)
- ▶ **Value Proposition**
- ▶ **Pricing Strategy**
- ▶ **Positioning Strategy** (Leader in a wide market, Niche player, etc.)
- ▶ **Distribution plan**
- ▶ **Offers** (Free trials, packages, discounts, guarantees)
- ▶ **Marketing materials** (Website, visiting cards, brochures, etc.)
- ▶ **Promotional Strategy** (Web, SEO, TV ads, press releases, events, social media)
- ▶ **Conversion Strategies** (How you turn prospective customers into paying consumers)
- ▶ **Joint Ventures and Partnerships**
- ▶ **Retention Strategies** (Fidelization, Customer support)
- ▶ **Financial Projections**

Marketing Plan

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The Sub-Goals and Tactics



Marketing Plan

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Measurement Actions

- ▶ Indicators to **evaluate and monitor** how the campaign is going
 - ▶ Brand recognition surveys,
 - ▶ Sales figures,
 - ▶ Market share, etc.
- ▶ Concrete deliverables embedded in a timeline.

Marketing Plan

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The Marketing Plan Budget

- ▶ Affordable
- ▶ Well-targeted
- ▶ A percentage of the gross sales, funding, “free”, etc.
- ▶ Realistic!

Flipped Classroom

- ▶ Flipped Classroom 9
 - ▶ Startup valuation

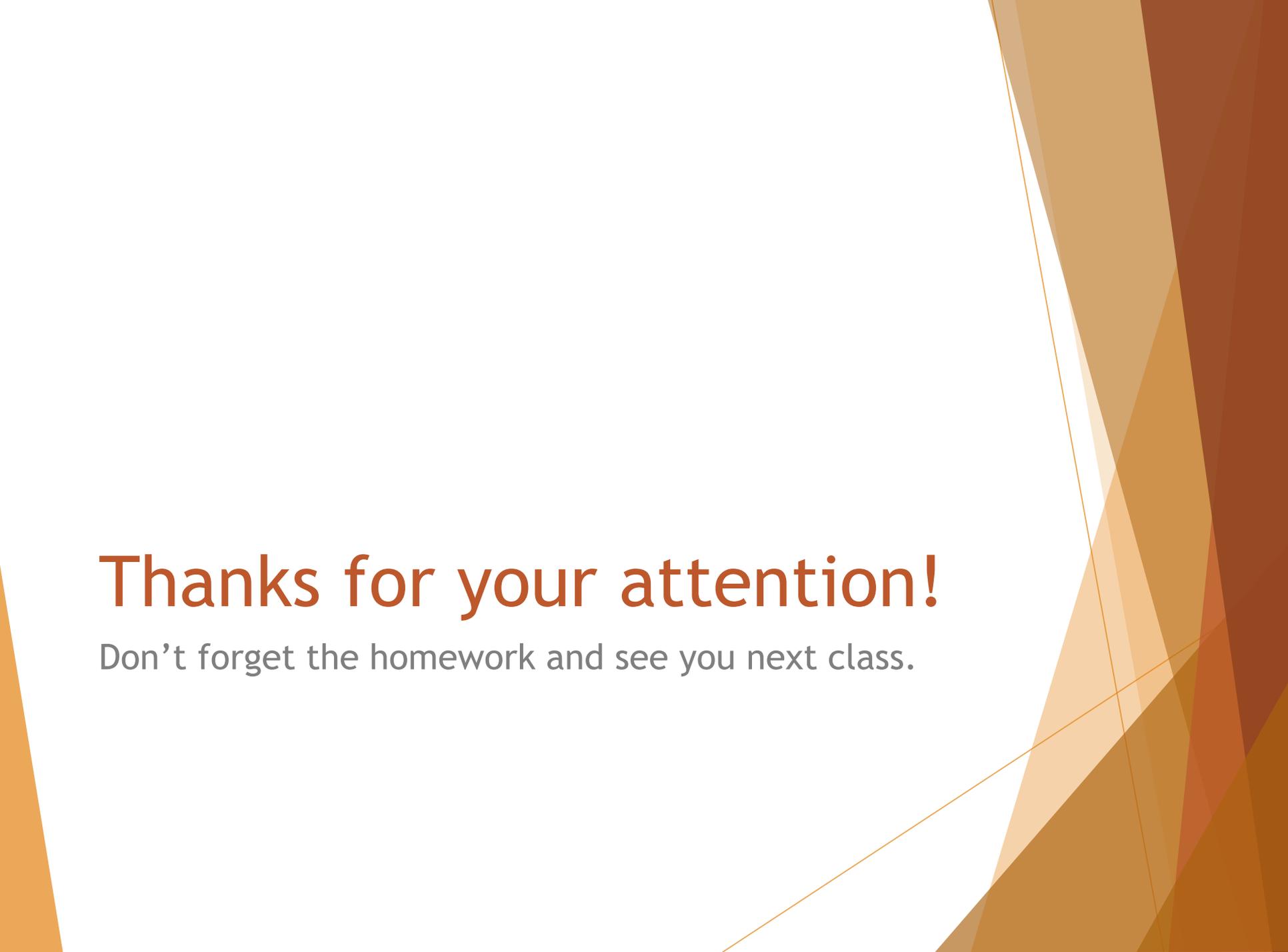
- ▶ Flipped Classroom 10
 - ▶ Startup funding

Homework

- ▶ Next class each group must present:
 - ▶ **Their Marketing Plan** in 3 minutes
 - ▶ No need to go point by point, though you should be clear and hit all the relevant points.
 - ▶ The details go in the *brief*
 - ▶ You can use digital, traditional or any other promotional strategies.
 - ▶ **Your project's valuation**, explaining how you calculated it
 - ▶ Flipped classroom 9 and 10 will give you some clues.

(Today's) homework time!

- ▶ Each group presents their TAM, SAM, and primary market research strategy.



Thanks for your attention!

Don't forget the homework and see you next class.