

# Previously on E&I...

A sequence of steps you can follow to estimate your demand

# A quick recap of Class 8

- ▶ 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

# Homework time!

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

# 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 the Step 4 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?

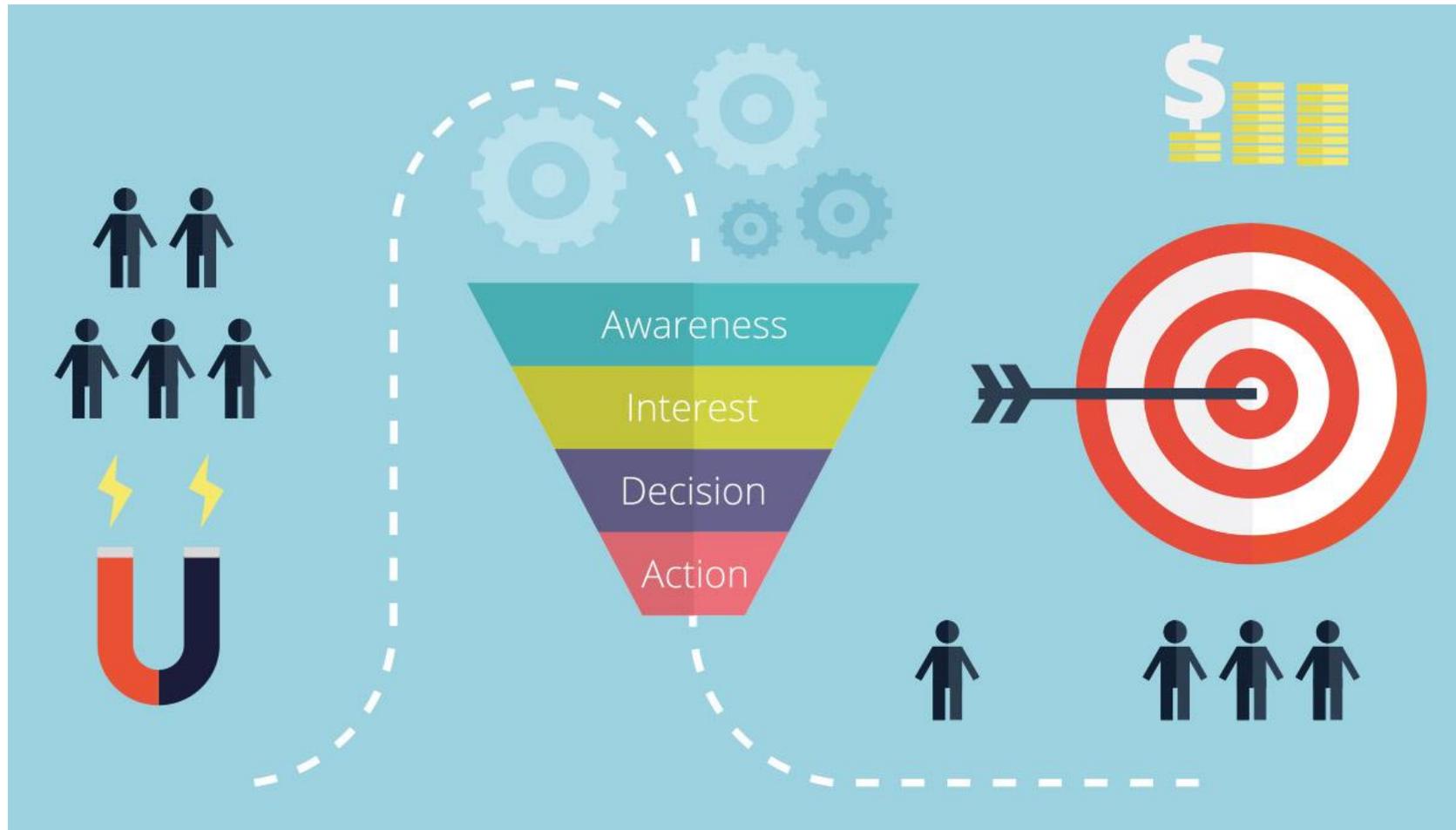
- ▶ A plan of action comprising
  - ▶ What you sell: VP.
  - ▶ Who wants to buy it: (Primary) Market research.
  - ▶ The leads you'll generate to make that happen : **Communication and distribution channels.**

# Strategy? Tactics? Leads?

## ▶ Market Strategy

- ▶ A goal plus all the short and long-term activities to achieve it.
- ▶ 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.

# 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 (KPIs)
  6. A budget

# Marketing Plan

1. A diagnose
2. A goal
3. The strategy
4. The sub-goals and tactics
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# The Diagnose

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

Competitive Analysis

# Marketing Plan

1. A diagnose
2. **A goal**
3. The strategy
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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 built for your target

Product/Market fit

# Marketing Plan

1. A diagnose
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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)

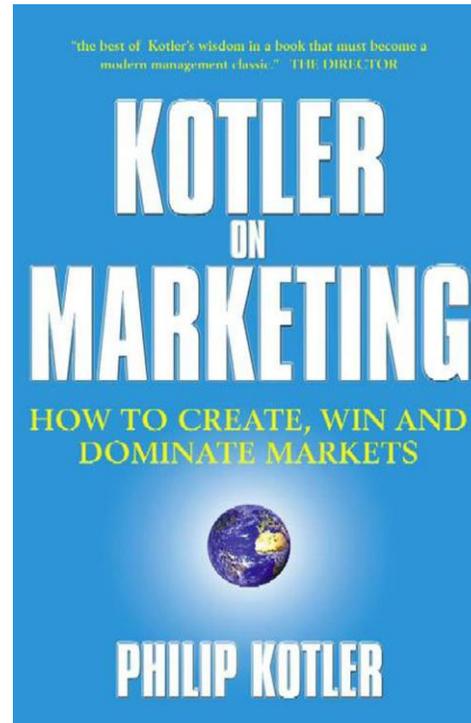
# 4Ps

▶ Product

▶ Price

▶ Place

▶ Promotion



# 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.

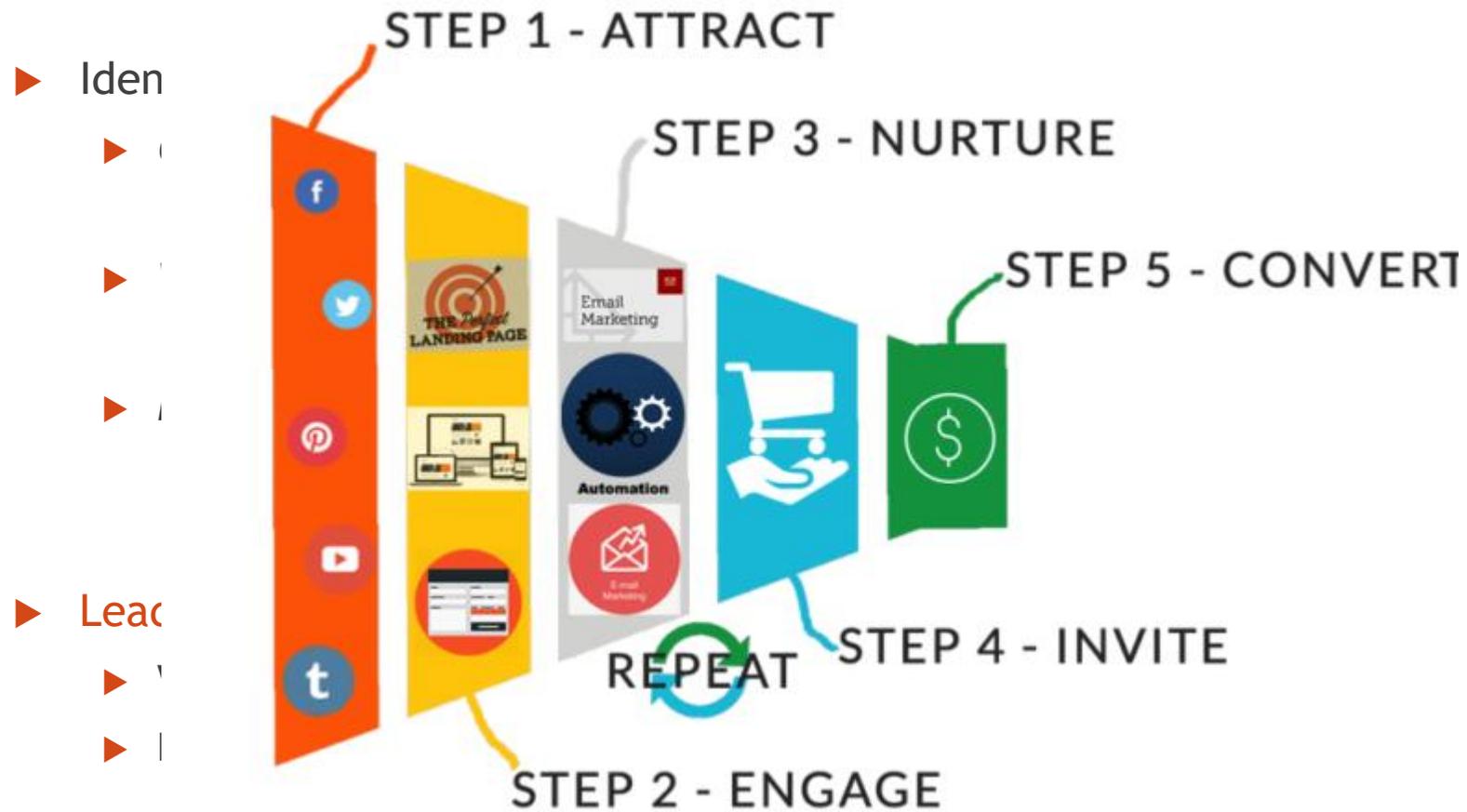
# USP (Unique Selling Proposition)

- ▶ **Target Customer** (Demographic and Psycographic 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, brocheures, 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

1. A diagnose
2. A goal
3. The strategy
4. **The sub-goals and tactics**
5. Measurement actions
6. A budget

# The Sub-Goals and Tactics



# Marketing Plan

1. A diagnose
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4. The sub-goals and tactics
5. **Measurement actions**
6. A budget

# 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

1. A diagnose
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# The Marketing 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

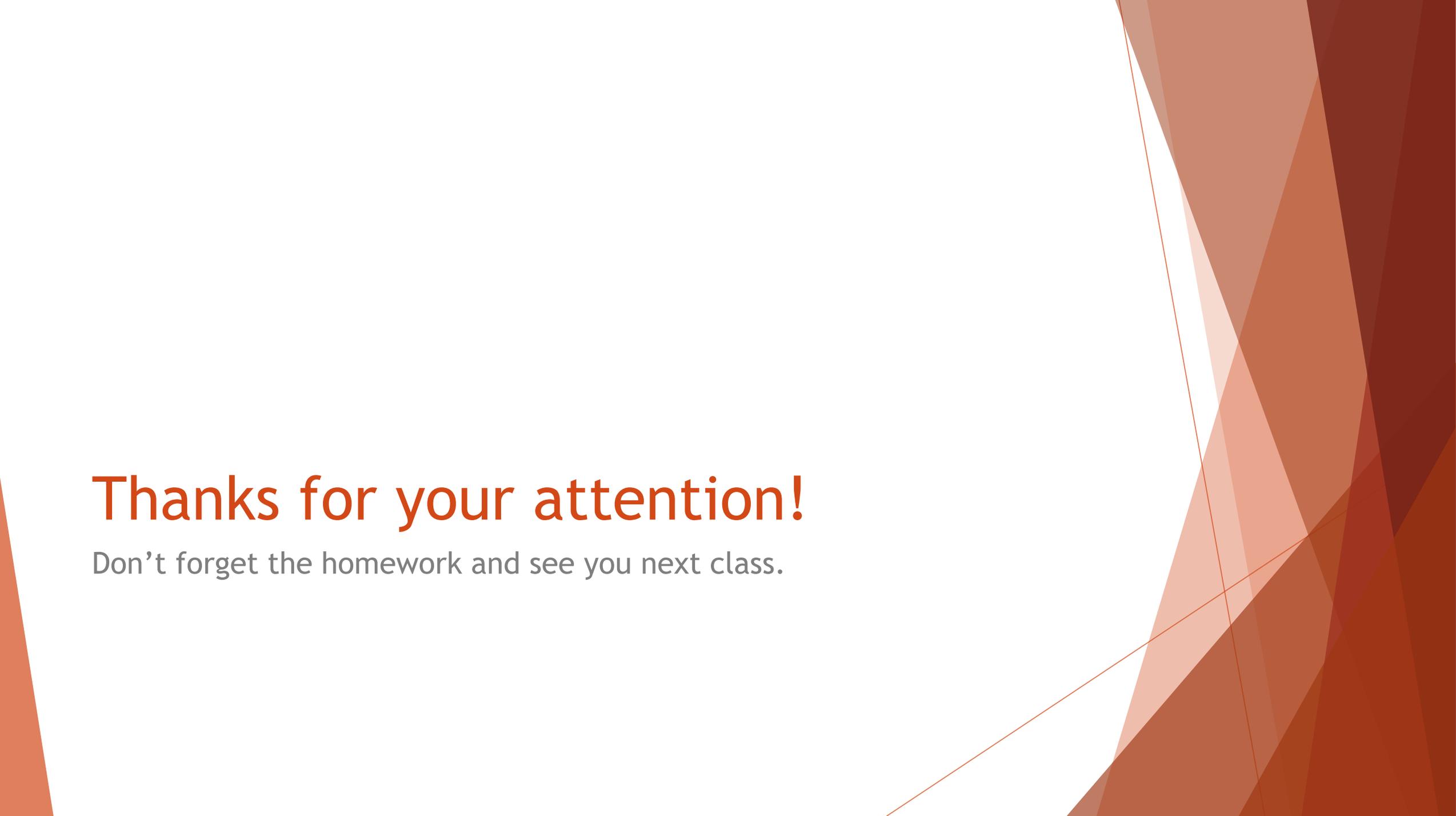
- ▶ Next class each group must present:

- ▶ **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.



# Thanks for your attention!

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