



Capacity Building for Entrepreneurship Centered Around Trees Outside Forests

Module 1: Prelude to Entrepreneurship

Lecture 3: Marketing Principles

Introduction



- Marketing is the process where producers of goods and services aim to find the existence of a demand for certain services and products and then provide solutions to the needs and ways of making customers aware of the solution.
- Today, as companies operate in the free market, identifying and retaining customers to create consumer-focused marketing principles are of paramount importance.
- The principles of marketing follow a logical sequence. First, you identify the target consumer for your particular product or service. Then, you understand the primary factors in determining consumer wants and how to get your products to them.
- Marketing principles have been around since the 1960s'; these principles stood the test of time and remained the same- with a little variation here and there- for years.
- The variation in the marketing mix dates back to the 1980s when three more principles were added to the original four principles.
- For any business to be successful, a good marketing strategy is vital.

Marketing: Definition and Concept



- Market is the set of all actual and potential buyers of a product or service. Originally the term Market stood for the place where buyers and sellers gathered to exchange their goods, such as a village square.
- Marketers work to understand the needs and wants of specific markets and to select the markets that they can serve best. In turn they develop products and services that create value and satisfaction for customers in these markets. The result is profitable long-term customer relationships.
- Today, Marketing must be understood not in the old sense of making a sale- but in the new sense of Satisfying customer needs.
- Marketing offers are the product, services and experiences.
- According to **American Marketing Association** *“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.”*
- Marketing is the science and art of finding, retaining and growing profitable customers.
- Marketing occurs when people decide to satisfy needs and wants through exchange.

Marketing Principles



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Seven Principles of Marketing



Product



- Product is one of the most crucial principles of marketing.
- *A product is a bundle of attributes (features, functions, benefits, and uses) that a person receives in an exchange. In essence, the term “product” refers to anything offered by a firm to provide customer satisfaction, tangible or intangible. Thus, a product may be an idea (recycling) , a physical good (a pair of jeans), a service (banking), or any combination of the three.*
- Products help marketing teams promote their offerings in a way that best relates to their target audience. Questions that may help when thinking of your products and services from the perspective of your audience could include:
 - What are the customer's needs?
 - What is the quality of the product?
 - How is this offer different from similar offers?
 - How safe is this product or service?



Product Attributes



17 Product Attributes that Motivate Purchases

The list of tangible and intangible product attributes is nearly endless. Here's a comprehensive (but by no means exhaustive) list of product attributes:

Quality refers to how well the product performs in relation to its intended purpose and its durability over time. High-quality products are usually made from superior materials, manufactured with precision, and have less likelihood of defects

Packaging involves how the product is presented and protected. Good packaging can enhance the product's appeal, provide important information, and ensure the product reaches the customer undamaged.

List of product attributes

- Quality
- Color
- Size
- Innovation
- Design
- Weight
- Content
- Smell
- Marketing claims
- Taste
- Feel
- Quantity
- Material makeup or ingredients
- Price
- Reliability
- Verification and safety
- Packaging

Marketing claims are statements made by the brand about the product's features, benefits, or performance, used to persuade customers to buy.

Price

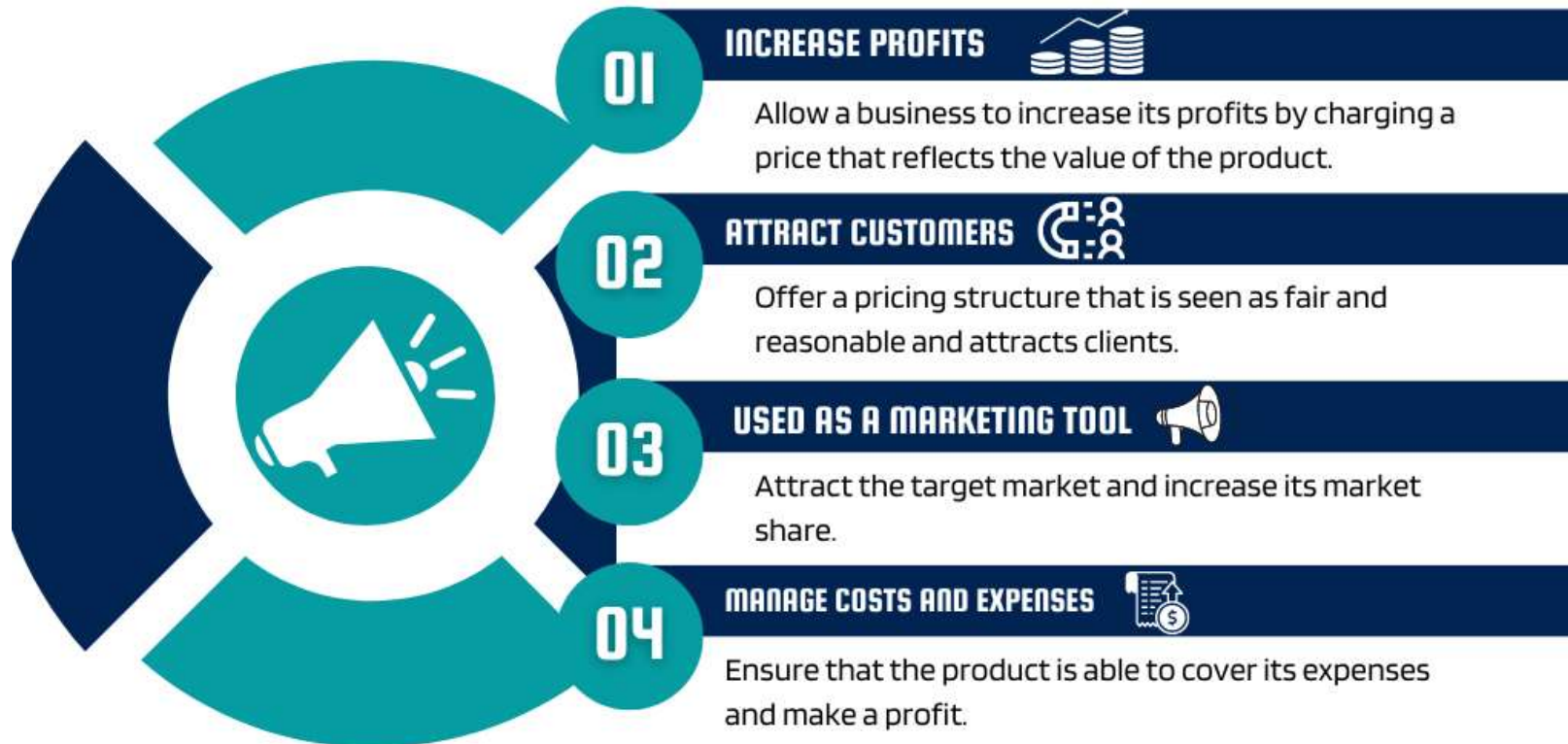


- The price is simply the amount a consumer pays for a product.
- A product is only worth what customers are prepared to pay for it.
- The price needs to be competitive.
- Pricing is the only element of the marketing mix that generates revenue-everything else represents a cost to you.
- When considering the price of your product, it's important to look at it from the customer's perspective:
 - a) Price positions you in the marketplace-it tells customers where to place you in relation to your competitors.
 - b) The more you charge, the more value or quality your customers will expect for their money.
 - c) This is a relative measure. If you are the most expensive provider in your market, customers will expect you to provide a better service.
 - d) Everything that the customer sees must be consistent with these higher quality expectations-packaging, environment, promotional materials, website, letterheads, invoices, etc.
 - e) Existing customers are generally less sensitive about price than new customers-a good reason to look after them well.

Factors to Consider in Product Pricing



BENEFITS OF PRODUCT PRICING



Place



- The place is where your product or services are available for purchase to the customer. It can be a brick-and-mortar store, an online website, or you can marketplaces like Amazon, Flipkart, eBay and Bonanza.
- A company needs to choose the right place convenient for customers and reach out to the potential audience to increase the product's sales.
- Therefore, careful planning of distribution and placement of your product or service is important for a successful business.
- In addition, in today's digital age, no matter where your store or services are located, a digital presence makes a huge difference in connecting with the right consumer base, as more and more people tend to go online for their needs.



Promotion



Promotion is the way a company communicates what it does and what it can offer customers. It includes branding, advertising, PR, corporate identity, social media outreach, sales management, special offers and exhibitions.

- You can make consumers aware or attract them to your product or service with the promotion. Your promotion should show the product in its best light and reach the consumer.
- The target markets are likely to respond in varied promotions that should be kept in mind when creating a promotional campaign.
- Different methods are used to let the market know about your product or services. Here's how expert marketers reach out to prospective customers via promotions.
- Good promotion is not one-way communication-it paves the way for a dialogue with customers, whether in person or online.
- Promotion should communicate the benefits that a customer receives from a product, not just its features.



Number of ways to promote a brand



Advertisement – This may include social media, television or magazine advertisements.

Email marketing – This involves communicating or advertising through emails.

Sales promotions – This may include short-term promotions, or deals for customers or prospective customers.

Search marketing – Search marketing is generating leads from search engines in order to drive website traffic to your website or product.

Direct marketing – This is when you directly reach out to your target audience.

Public relations – This involves presenting a favourable image of your brand

People



People make the business organization. From team members to reporting managers to customer service representatives, all play a vital role in the progress of a business organization.



- Hiring the right people or training the right people is essential for a company, so customer concerns and needs are satisfied and are necessary for business growth.
 - In addition, hiring driven and trained people to do their work can make a massive difference in creating and implementing the marketing plan.
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- The people principle of marketing refers to the employees and team members of an organization. This principle considers people to be living promotional tools with the ability to increase brand awareness, enhance brand image and provide excellent customer service.
 - A marketing team made up of individuals with skills, talents and areas of expertise that align with your organization's objectives can contribute to the success of your promotional efforts.

Example: A car dealership hires a marketing strategist to lead their marketing team during a complex advertisement campaign. The marketing strategist has several years of experience promoting vehicle sales and helps the dealership increase their revenue by 15% after the campaign.

Physical Environment or Evidence



- Lastly, the Physical Evidence element of the 7Ps refers to the tangible aspects of a product, including packaging, branding, and more. Ensuring the tangible aspect of a product aligns with the customer's perception of the brand is essential in setting the business apart from competitors.
- As per National Retail Federation data, 72% of consumers are more likely to shop at a store that has a positive physical environment. An Epsilon research indicates 80% of consumers are more likely to make a purchase if brands offer them personalized experiences.
- Choosing an unfamiliar product or service is risky for the consumer, because they don't know how good it will be until after purchase. You can reduce this uncertainty by helping potential customers 'see' what they are buying.
- Some companies engage customers and ask for their feedback, so that they can develop reference materials. New customers can then see these testimonials and are more likely to purchase with confidence.
- Although the customer cannot experience the service before purchase, he or she can talk to other people with experience of the service. Their testimony is credible, because their views do not come from the company. Alternatively, well-shot video testimonials and reviews on independent websites will add authenticity.

Process



The Process element of the seven principles refers to the procedures and steps involved in delivering a product or service to the end-user. It is important to streamline the process and make it as efficient as possible

A study by the **Aberdeen Group** found that businesses that streamline their business processes are more likely to improve their customer satisfaction. In a Salesforce survey, 80% of customers say the experiences provided by a company are as important to them as its products and services. Moreover, a **McKinsey study** indicates that businesses that use data analytics to improve their business processes are more likely to be successful.

- Many customers no longer simply buy a product or service—they invest in an entire experience that starts from the moment they discover your company and lasts through to purchase and beyond.
- The process of delivering the product or service, and the behavior of those who deliver it, are crucial to customer satisfaction.
- A user-friendly internet experience, waiting times, the information given to customers and the helpfulness of staff are vital to keep customers happy.

Important Questions

- 1) Do customers have to wait?
- 2) Are they kept informed?
- 3) Is your website fast enough and available on the right devices?
- 4) Are your people helpful?
- 5) Is your service efficiently carried out?
- 6) Do your staff interact in a manner appropriate to your pricing

Conclusion



Marketing is one of the fastest-growing industries, and it is a chance to be creative and strategic.

The end goal is to have a happy and satisfied customer. By aligning the marketing principles to the target customer market, you'll be able to achieve this goal and grow your business.

Each of the 'ingredients' of the marketing mix (marketing principles) is key to success. No element can be considered in isolation-you cannot, for example, develop a product without considering a price, or how it will reach the customer.