

BE AN Entrepreneur

By
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Chapter 1

THE MARKETING PLAN



THE MARKETING PLAN

Market Analysis



**Digital Marketing
and Small
Business**

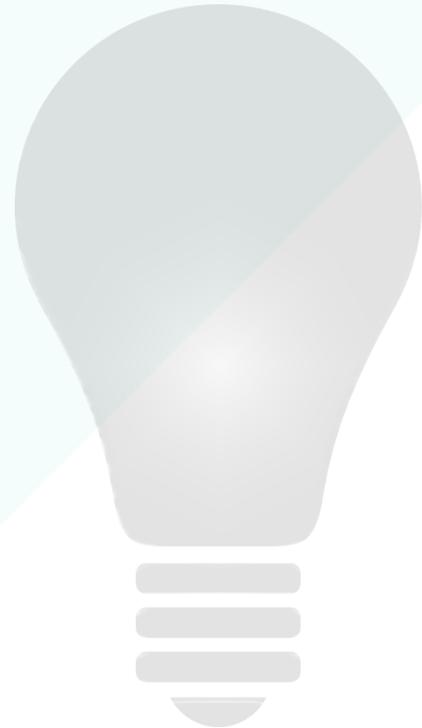


The Marketing Plan



Chapter 6 overview

The aim of these sections is to give a strong impression to the investor that the opportunity is compelling and that you and your team are the best people to run it. We start with the marketing plan in Chapter 6. You might want to take a moment to review your notes on your customers and competitors. Your insights on your customers will guide the marketing effort.



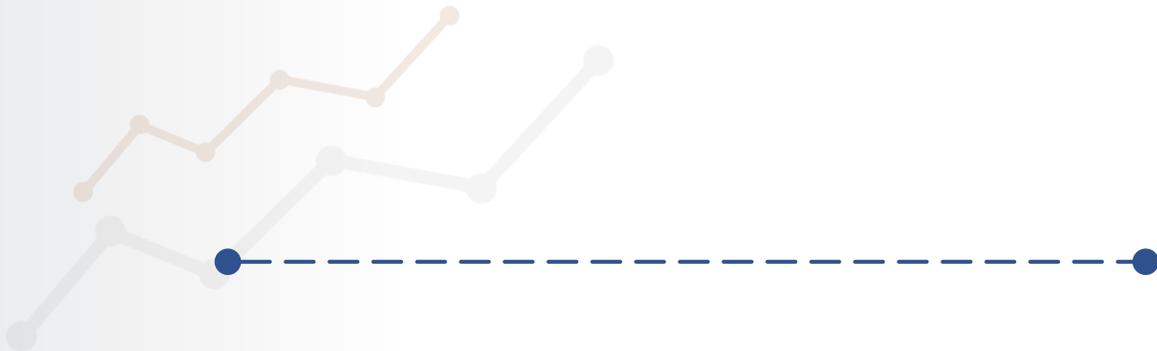
Coverage of the Chapter

The Market Analysis

- Industry
- Competitors
- Customers

The Marketing Plan

- Product
- Price
- Place
- Promotion
- Adjust to reality



Learning Objectives



Define

Define marketing plan and market analysis



Discuss

Discuss the goals of market analysis



Distinguish

Distinguish product features from product benefits



Illustrate

Illustrate ways by which a unique selling point may be achieved



State

State the goal of pricing. Suggest appropriate ways to price a product



Suggest

Suggest ways to distribute, support, advertise and promote a product

Story from Real Life

Salman Sohail is a Saudi entrepreneur who holds a master's degree in management information systems from the University of Liverpool, UK, and holds several international professional certificates from large companies such as: Microsoft and Cisco, and has scientific research Published in e-learning and significant contributions to numerous inventions and innovations. Salman is founder of several Saudi entrepreneurial businesses with more than 20 years of experience in information technology and networks, expert In the localization, allocation and harnessing of technology for the work and projects of Hajj, Umrah and tourism.



تحتاجها لبناء متجر ناجح

اليف وبدون عمولة على المبيعات



Story from Real Life

It has achieved a great spread recently with a pioneering project that leads the change in society in e-commerce (Salla e-commerce platform), which was established in 2016 to provide e-store services and is one of the first platforms to provide this service in Saudi Arabia and has executed more than 8 million requests so far, while the total number of transactions on the platform has reached more than two billion Saudi riyals, which is the largest number in the region.

The current shareholding of Salman in the (Salla) company is 15 million US dollars, while The company's annual growth is 300%, and the platform closed the first financing round with a value of approximately 32 million SAR.

The question here; What is the market gap that he succeeded to fill?



Market Analysis

Marketing research:

An activity that begins by identifying an unmet consumer need and a way for your product or service to meet the need. Marketing research includes qualitative research (feelings) and quantitative research (numbers).

Market Analysis

Market Analysis:

1

A careful study of the customers and competitors of a business.

2

It identifies the target market, the competitors and the way the market is segmented.

3

The objectives of the market analysis section of a business plan are to show to investors that:

4

you know your market

5

Nonprofit the market is large enough to build a sustainable business



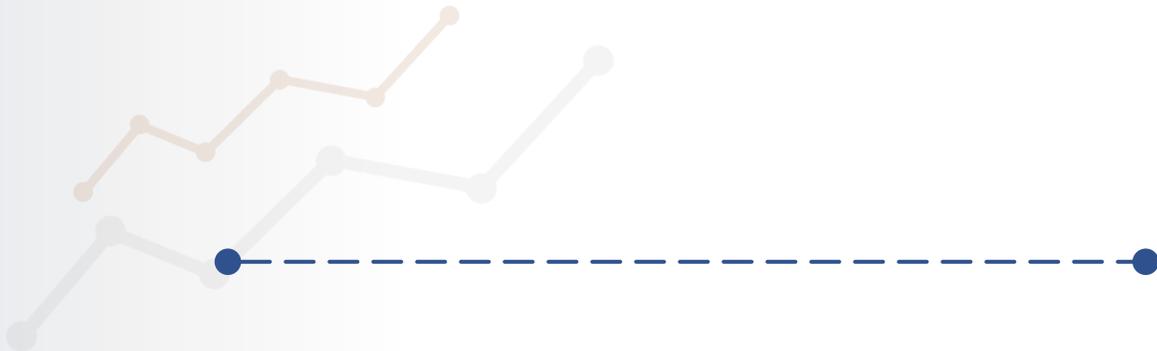
Market Analysis

Macro Analysis

Micro Analysis

- PESTEL analysis

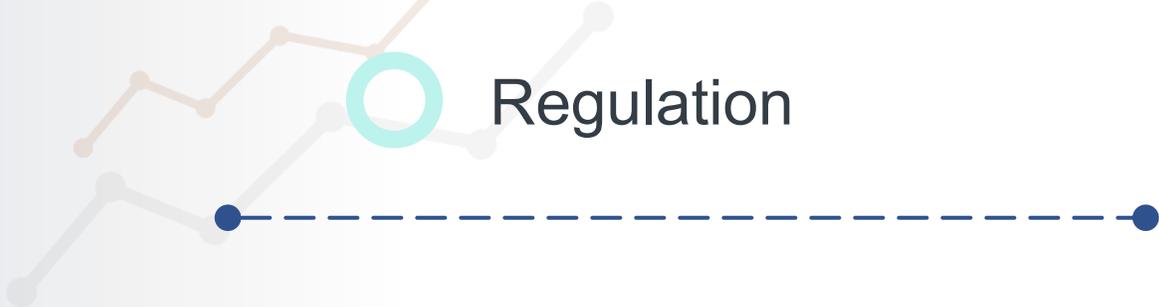
- Demographics and Segmentation
- Target Market
- Market Need
- Competition
- Barriers to Entry
- Regulation



Market Analysis

Marketing analysis includes:

- Demographics and Segmentation
- Target Market
- Market Need
- Competition
- Barriers to Entry
- Regulation



Market Analysis

Demographics and Segmentation

When assessing the size of the market, your approach will depend on the type of business you are selling to investors. If your business plan is for a small shop or a restaurant, then you need to take a local approach and try to assess the market around your shop. If you are writing a business plan for a restaurant chain, then you need to assess the market a national level.

Market Analysis

Target Market

The target market is the type of customers you target within the market. For example, if you are selling jewelry, you can either be a generalist or decide to focus on the high end or the lower end of the market. This section is relevant when your market has clear segments with different drivers of demand. In my example of jewels, value for money would be one of the drivers of the lower end market whereas exclusivity and prestige would drive the high end.

Market Analysis

Market Need

- This section is very important as it is where you show your potential investor that you have an intimate knowledge of your market. You know why they buy!
- To do so you need also to highlight in this section some of the drivers that your competition has not been focusing on.

Market Analysis

Competition

- The aim of this section is to give a fair view of who you are competing against. You need to explain your competitors' positioning and describe their strengths and weaknesses. You should write this part in parallel with the Competitive Edge part of the Strategy section.
- The idea here is to analyze your competitor's angle to the market in order to find a weakness that your company will be able to use in its own market positioning.

Market Analysis

Barriers to Entry

- This section is all about answering two questions from your investors:
- what prevents someone from opening a shop in front of yours and take 50% of your business?
- having answered the previous question what makes you think you will be successful in trying to enter this market? (start-up only)

Market Analysis

Regulation

If regulation is a barrier at entry in your sector, then I would advise you to merge this section with the previous one. Otherwise, this section should be just a tick the box exercise where you explain the main regulations applicable to your business and which steps you are going to take to remain compliant.

Market Analysis

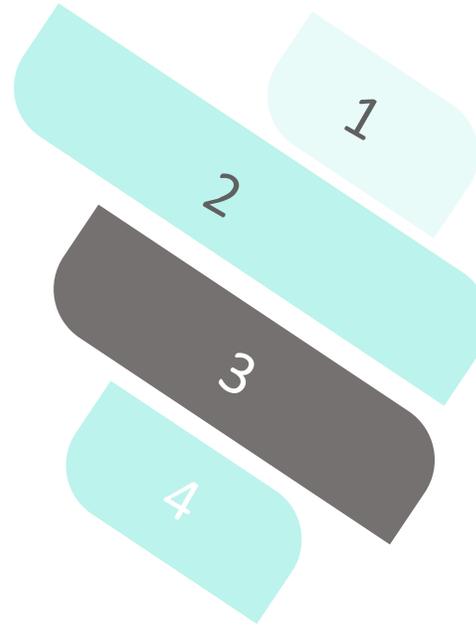
Marketing Plan:

A roadmap or plan of action that is going to get your customers to buy your product or service.

The Four P's

Place. The place or location of your product is key to making sure that potential shoppers walk into your enterprise.

Promotion. How will you get your product or service known to the outside world



Product. What is your product or service, and how will it stand out against the competition?

Price. How to determine the price of the product.

Product

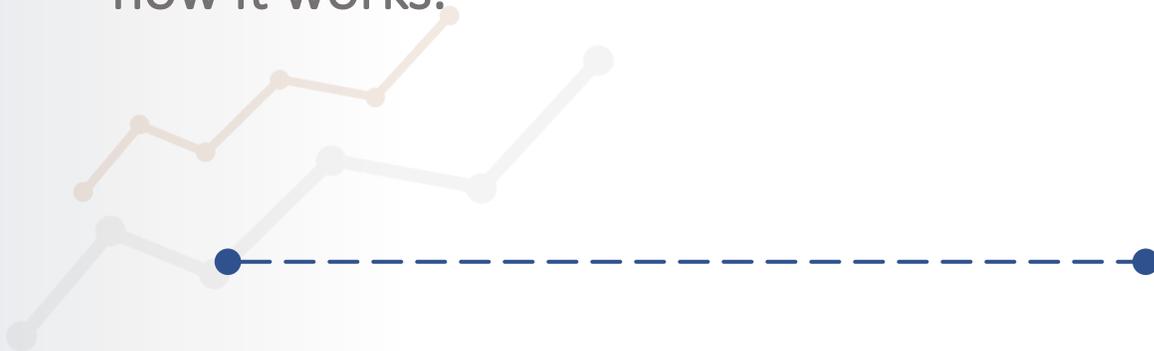
What is your business selling to the customer? You can sell a single product, a range of products, a service or services, or a combination.

FEATURES

Describe the physical traits of the product, what it does, and how it works.

BENEFITS

Show what the customer gets from your product. Entrepreneurs often assume that customers know why they will want to buy something just because they have been told about it. Product features have their place, but the focus must rest squarely on product benefits. Do not leave customers to figure out why they want a feature. It is in your best interest to make the connection for them.



Product



The unique selling proposition (USP) is at the heart of all marketing plans.



The following questions are helpful in identifying the USP of your product:



What needs are you meeting better than anyone else?



What benefits do you deliver better than the competition?



What needs or customers do you serve that the competition does not?



In the words of the Olympic motto: faster...higher...stronger.
What is your USP?

Price

The pricing portion of the marketing plan lays down how you are going to price the product, how you produced the price, and the return to the business as a result of this price.



1

Based on costs. Calculate the cost to produce one item of your product. Add your desired profit on top of the cost to come up with the price.



2

Based on product positioning. How do you want to be known in the market? Do you want to serve a broad range of customers, or focus on a small yet profitable segment? Is your product a luxury or a basic good? What is the level of quality with which you want your product to be recognized?



4

Based on an achieving market share. The price can be set low to be appreciated and accepted by the market. Once the desired volume is achieved, the price can be increased.



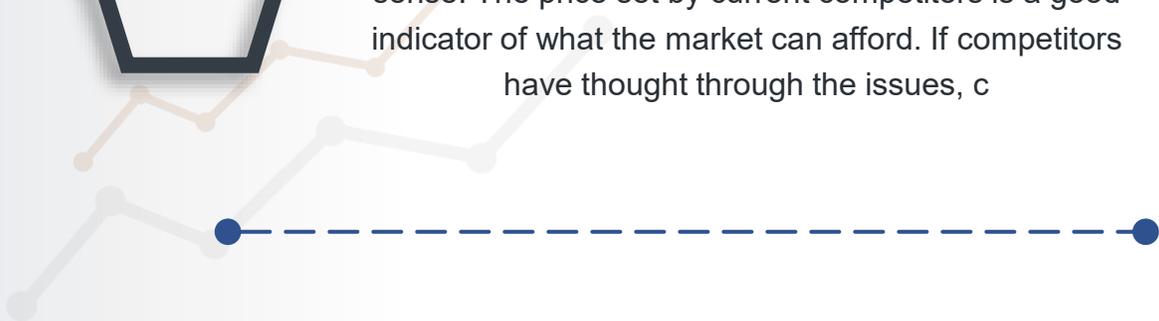
3

Based on competition. Charge what the competition charges. There are several reasons why this makes sense. The price set by current competitors is a good indicator of what the market can afford. If competitors have thought through the issues, c



5

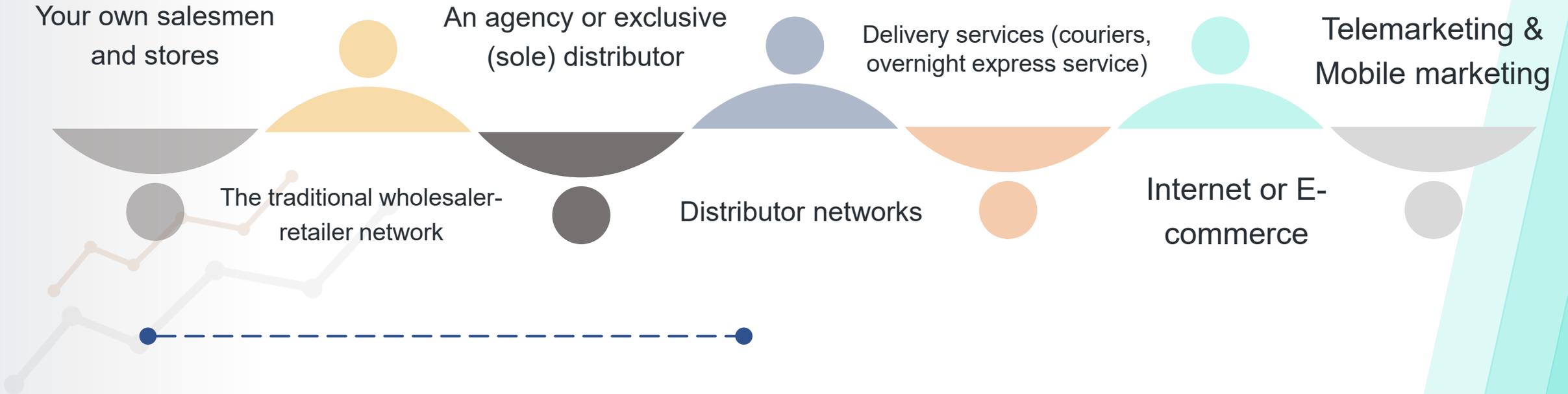
Based on savings. When a product saves the customer time, money, or effort, the savings are used to set the price. Examples include prices for energy-saving light bulbs and calls on the Internet.



Place

The discussion of place or distribution in your marketing plan explains where the customer will find your product and how it is going to get there. It also outlines your payment methods and services after a sale. These topics are taken up below in the discussion of distribution methods and customer service.

Below are some of your options:



Promotion



Digital Marketing and Small Business



E-marketing or digital marketing is a modern mechanism that has arisen for online marketing. It is now the new 'normal' of marketing. Being one of the most effective and distinguished ways to create brand awareness, it is how you can reach out to your potential customers and stay connected with the existing ones.



Nowadays, many people across the world are spending their time online. They are browsing the internet and looking for your products. In order to benefit from this massive audience base, maximizing your online presence is key. This is where digital marketing comes into the picture. Digital marketing is all about reaching the right people at the right time.



Digital Marketing and Small Business

Benefits of digital marketing for small businesses include:

1

Lower costs and higher flexibility for your marketing efforts

2

Access to consumers who rely on their cell phones or do all their shopping online

3

The ability to speak with authority on topics related to your product or industry

4

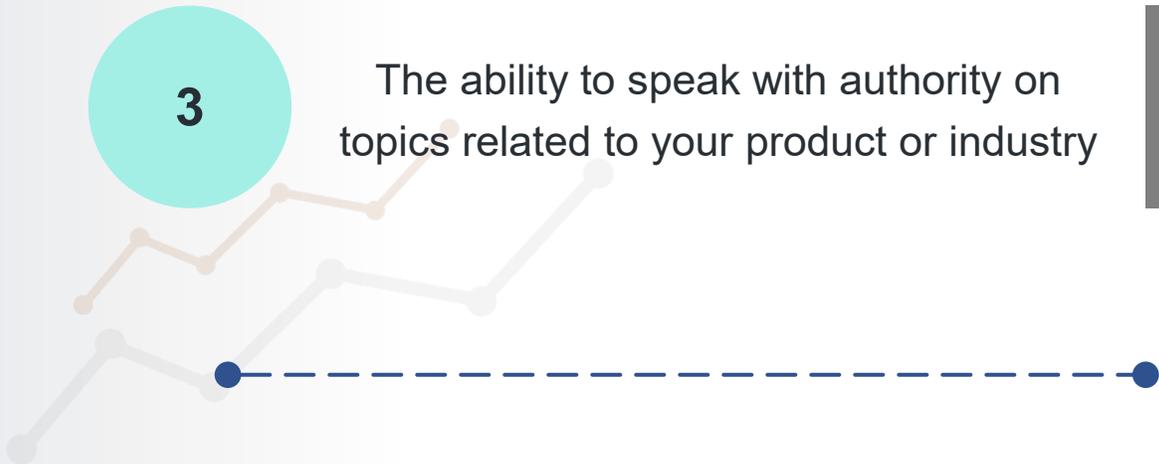
A chance to engage with influencers, earn their respect and get them to endorse your company

5

Opportunities to incorporate multiple types of media into your marketing

6

The ability to track customers' purchase journeys



Digital Marketing and Small Business

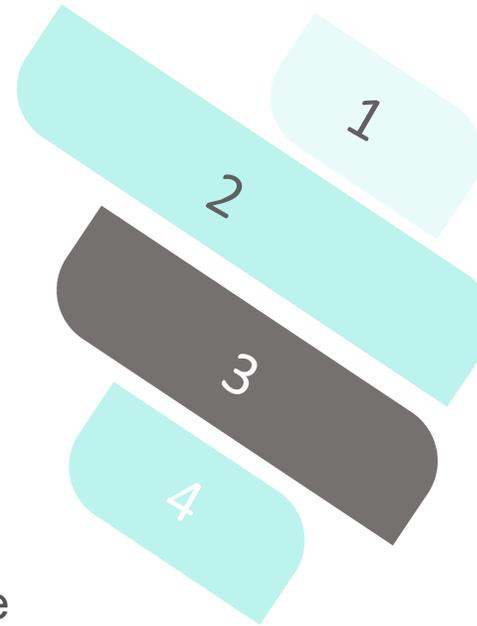
Typically, digital marketing uses many tools for online marketing strategies. These components include:

Email Marketing

Content Marketing

Search engine marketing

Social media marketing



which is the exploitation of improving the ranking of sites on search engines optimization (SEO)



Digital Marketing and Small Business

Content marketing:

It is to provide useful information online to target customers. Providing this type of information will build a strong relationship between customers and the company, prompting them to request more information about the product or subscribe to the e-mail list. The ultimate goal is attracting the visitor to reach the stage of completing the purchase online. Typically, this content is published in the form of a blog article, digital video, e-book, photos, and more.

Digital Marketing and Small Business

Email marketing

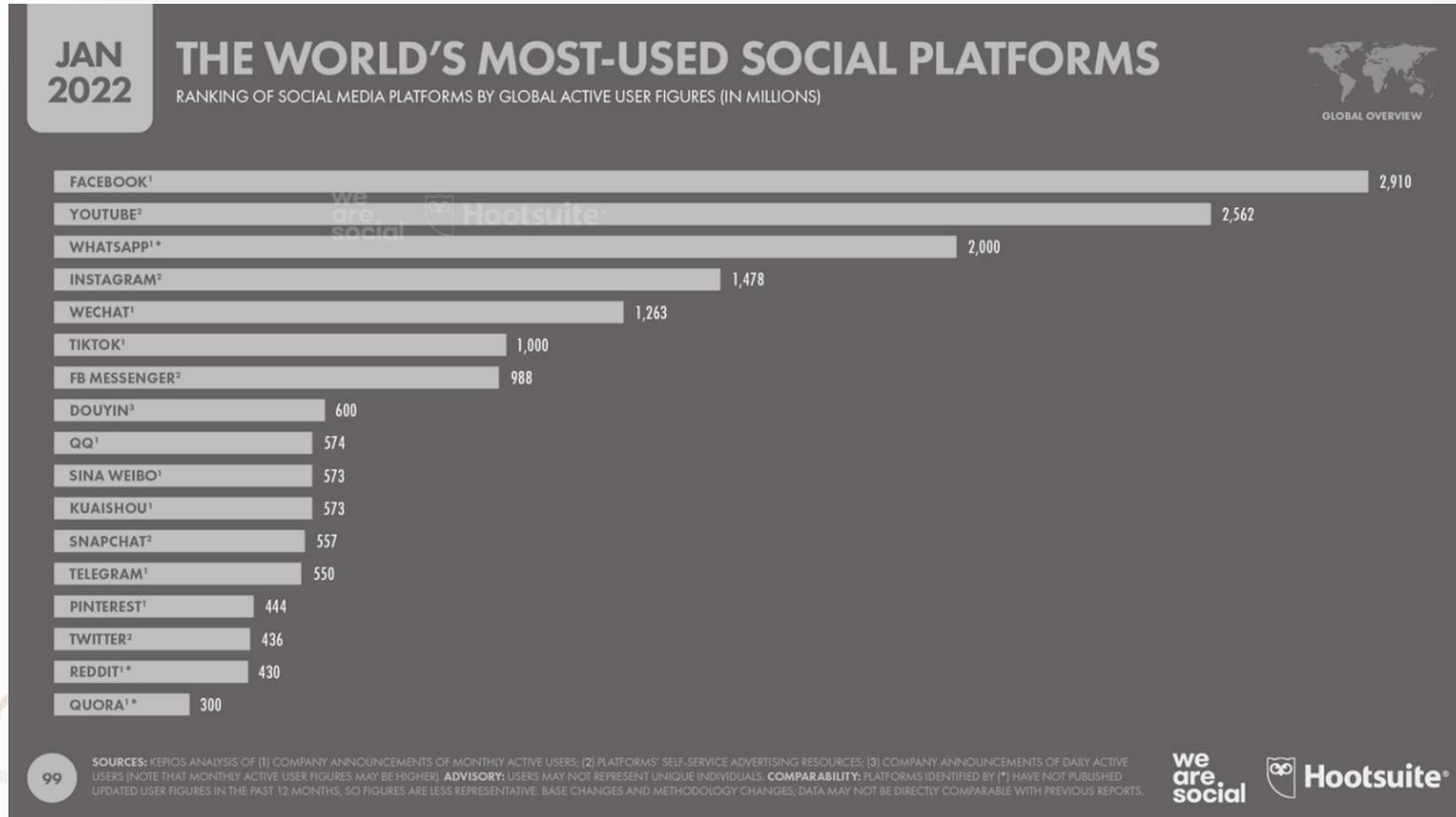
- Email marketing is sending commercial emails to a list of contacts who have given their express permission to receive email communications from you.
- Modern email marketing has moved away from one-size-fits-all mass mailings and instead focuses on consent, segmentation, and personalization. Email marketing companies leverage different email service providers (ESPs) to send out automated, personalized marketing emails that contain brand promotions and announcements. Anything from weekly email newsletters and promo alerts to customer survey forms and event invitations can be considered a form of email marketing.

Digital Marketing and Small Business

Social media marketing

- “Social media marketing (SMM) is the use of social media websites and social networks to market a company’s products and services.”
- Social media marketing is all about connecting with your audience or customers and helping them understand your brand better. It is incredibly beneficial to your business growth. There are many forms of social media such as: Facebook, Twitter, Instagram, Pinterest, Tik Tok, and others.
- SMM is the easiest way to reach an enormous audience — nowadays a half of the global population, 3.8 billion people, use social media.

Digital Marketing and Small Business



Digital Marketing and Small Business

Search engine marketing

- Search engine marketing (SEM) is an online marketing strategy that aims to increase the online visibility of a website in the search engine results pages (SERPs). Search engine marketing is the act of using paid ads to increase a webpage's visibility.
- SEM can also be used as more of an umbrella term that often encompasses other types of digital marketing strategies, such as PPC (pay-per-click) and SEO (search engine optimization).
- The most well-known and widely used SEM platform is Google Ads, but there are other solutions, such as Bing Ads, for example.

Digital Marketing and Small Business

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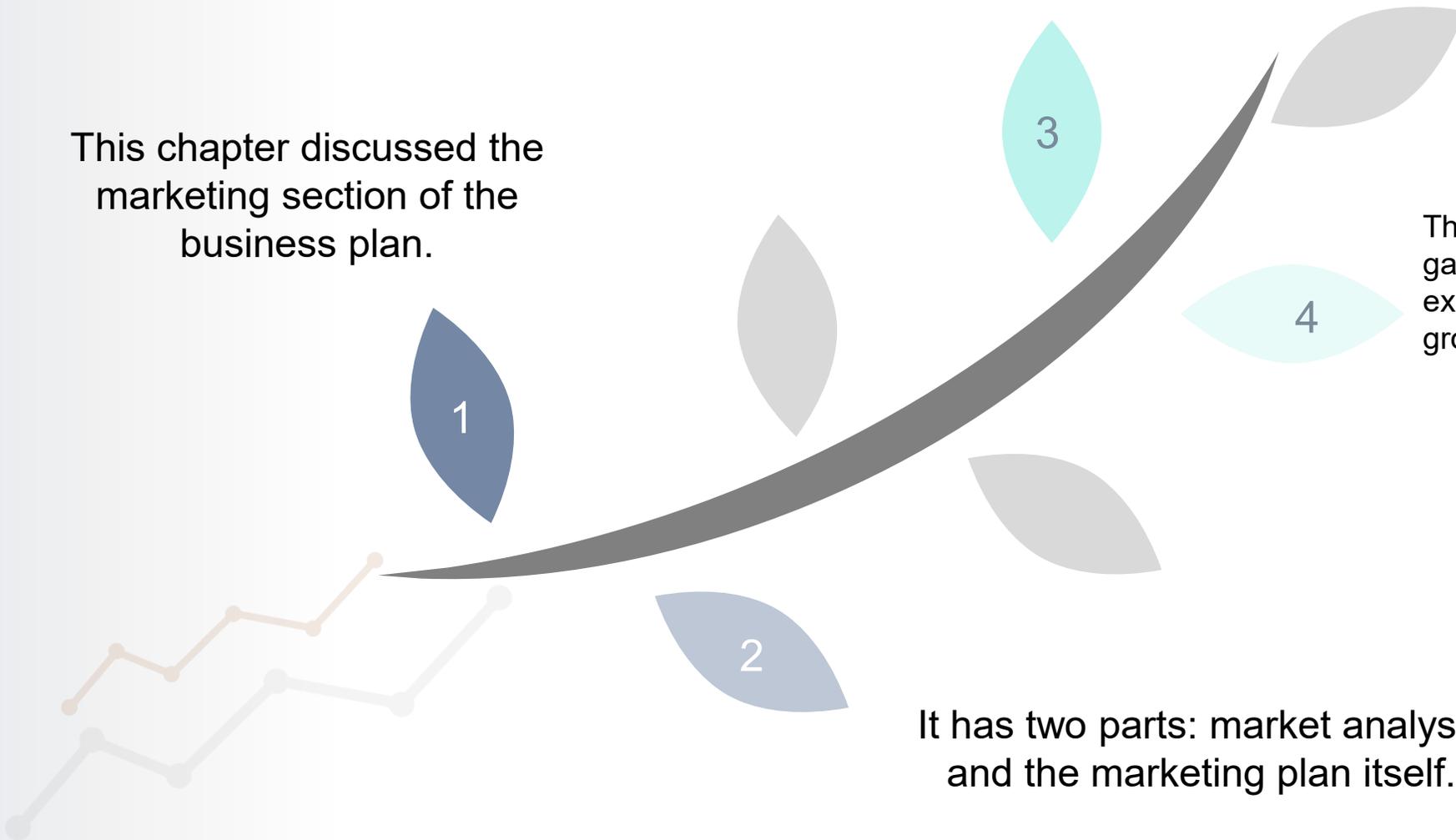
Points to Remember

Market analysis looked into the industry, the competitor and the customer or target market.

This chapter discussed the marketing section of the business plan.

The goals of the market analysis are to identify gaps and unmet needs that the business can exploit and to demonstrate a large and growing demand to support the business.

It has two parts: market analysis and the marketing plan itself.



Points to Remember

Product features describe the physical traits of the product, what it does and how it works.

The marketing plan followed the 4 P's framework of product, price, place and promotion.

A product benefit is a customer need that is satisfied by your product

Your customer and the unique selling point of your product are the drivers that guide decisions in the marketing plan.



Points to Remember

To find out the unique selling point, answer these questions:

Unique selling points state what benefit sets your product apart from all the rest.

What needs are you meeting better than anyone else?

What benefit do you deliver better than competition?

What needs or customers do you serve that competition is not?

11

9

10

Why is your product unique, distinct, or better than what is available?

Points to Remember

The price should:

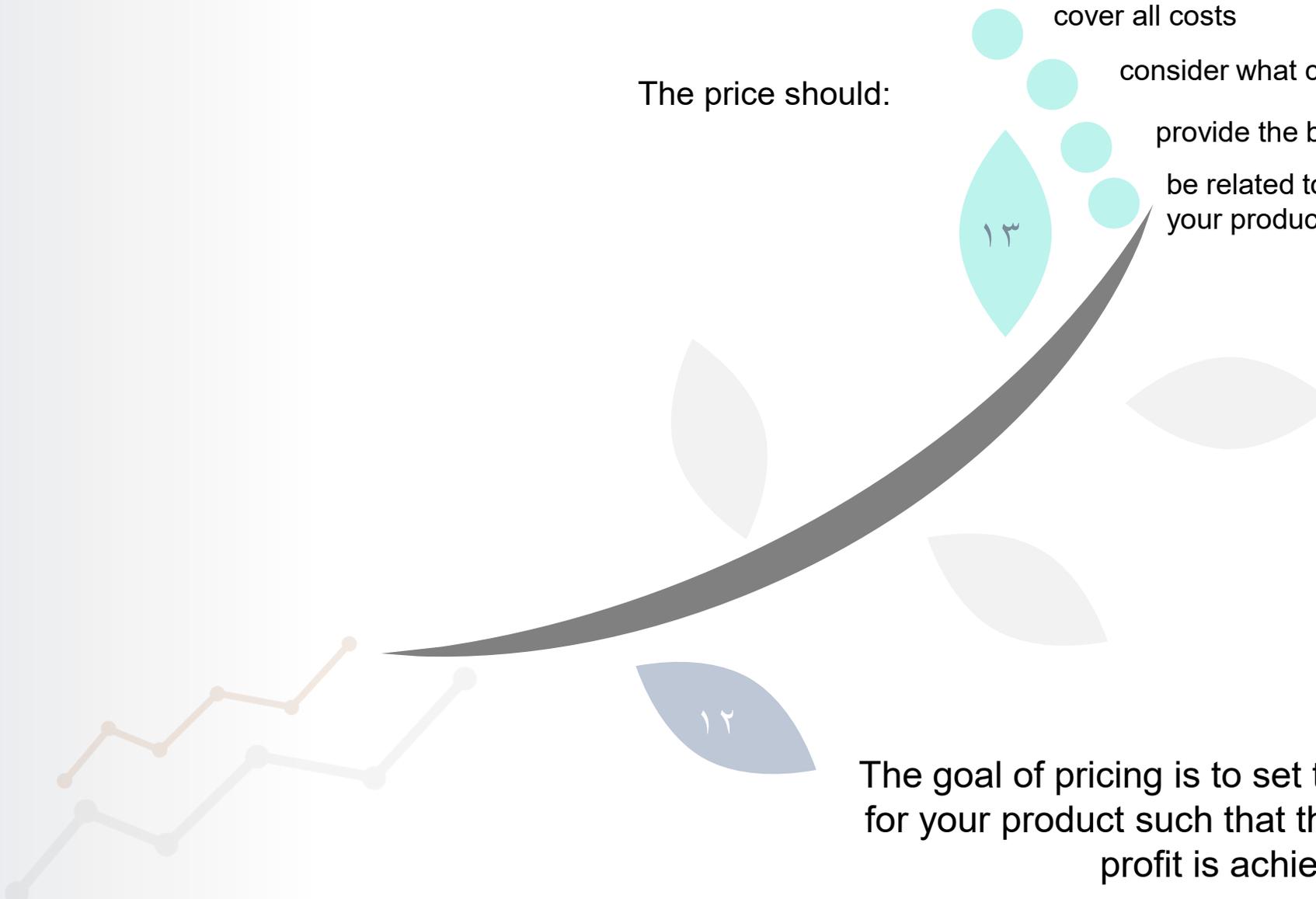
cover all costs

consider what customers can afford

provide the business a decent return

be related to product positioning; that is, how you want your product to be known to your target market

The goal of pricing is to set the price and terms for your product such that the highest possible profit is achieved.



Points to Remember

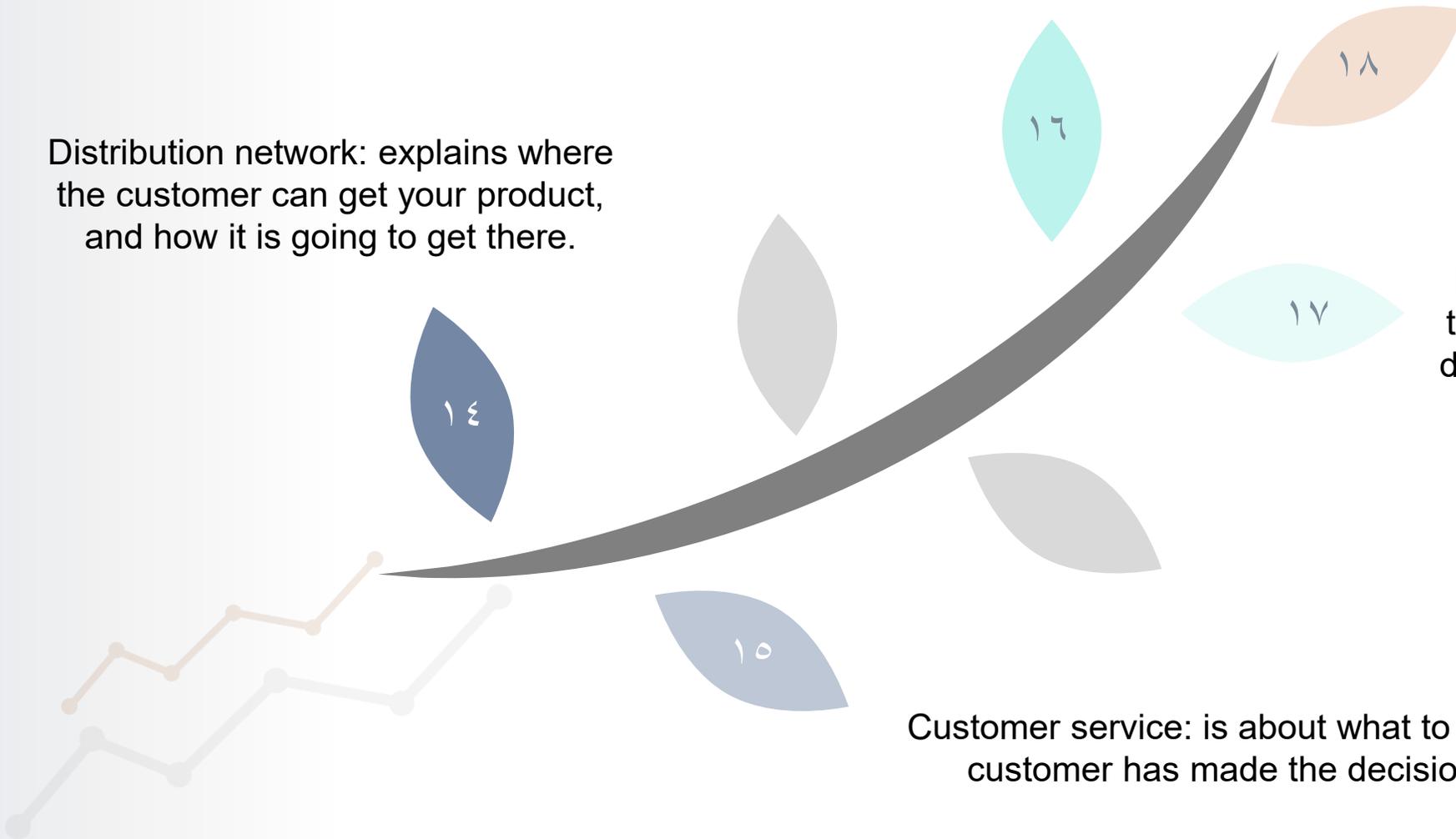
Advertising seeks to inform or persuade the market to support or buy a product.

These can include handing out free samples, coupons, product displays, and organizing demonstrations how to use your product.

Distribution network: explains where the customer can get your product, and how it is going to get there.

Most other activities that persuade the customer to buy the product but do not fall under advertising, may be called “promotions.”

Customer service: is about what to do, after the customer has made the decision to buy.



Review Questions

Do your Marketing Plan

