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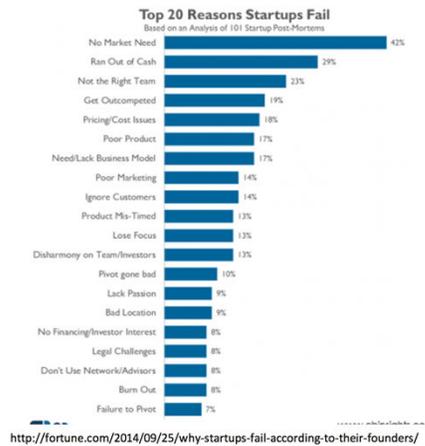
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1. Intro

What is marketing?

Definition: '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.'

- Maximising value for shareholders
- Entrepreneur + capital = products + customers = business
- Identifying 'market pain', market needs and wants



Why start-ups need marketing

- Identify new products, services and/or experiences
- Use marketing to get the first customer and earn the first dollar
- Build brand from scratch (create and manage meaning)
- Establish channels of distribution
- Use marketing to establish price points for their offering
- Leverage marketing efforts to make use of scarce resources (crane 2013)

Innovation, market emergence and entrepreneurs

Some markets are well established (commodities, consumer goods, services, experiences), companies exist within these markets. **Red ocean strategy, fierce competition.**

Others don't yet exist or are in the process of emerging/developing. Eg. Space/time travel, nuclear fusion, eternal youth, carbon markets. **Blue ocean strategy, competition is limited or irrelevant, guided by innovation.**

Reading: Entrepreneurial Personality

- The technology intensity of an industry is one factor that increases the odds of a start-up reaching the Inc. 500
- Due to them being industries which you can get a barrier to imitation
- Look at where venture capitalists put their money
- New firms do better in industries that have large, more rapidly growing markets
- They do worse in capital-intensive industries, such as steel and autos that require a lot of expensive equipment or in industries where the average size of firms is large

Examples:

- **Larger start-ups are more successful** because they have greater access to capital, are more profitable, have higher sales and employment growth and are less likely to fail
- Most entrepreneurs start businesses on a **part-time basis**, even though studies show that survival, profitability and growth is higher if entrepreneurs work on a **full-time basis**
- Performance of new businesses **founded by teams** is better
- Many entrepreneurs never **write business plans**, but writing one enhances product development, improves the organisation of new ventures, increases the likelihood that they will obtain external capital, increases level of venture sales and reduces the likelihood that the venture will fail, particularly if the plan is developed before the entrepreneur begins marketing or talking to customers
- Performance is enhanced by **seeking customers missed by others** (targeting other market segments)
- Most start-ups are B2C even though 90% of the **fastest growing private companies** are B2B

Specific things that make start-ups more successful:

- New companies that **start marketing sooner** and emphasize the implementation of marketing plans, perform better than other start-ups
- Put **careful financial controls** in place
- **Don't compete on price**, this strategy hinders the performance of new ventures
- **Focusing activities** helps them perform better, many entrepreneurs fail to focus their activities on a single product or market
- **Organise** their new businesses in an orderly manner
 - o Start with identifying the idea
 - o Acquisition of resources
 - o Development of a product or service
 - o And the order in which firm founders undertake start-up activities affects the performance of new businesses

Better educated entrepreneurs have greater access to external capital, lower business failure rates, greater business sales and employment growth, and more profitable ventures

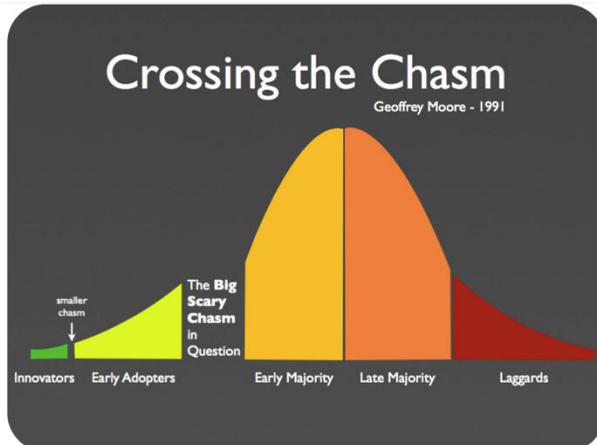
On average businesses founded by people between ages of 45 and 54 tend to perform better than those founded by people less than 35 years old.

2. Entrepreneurial Marketing

Trends

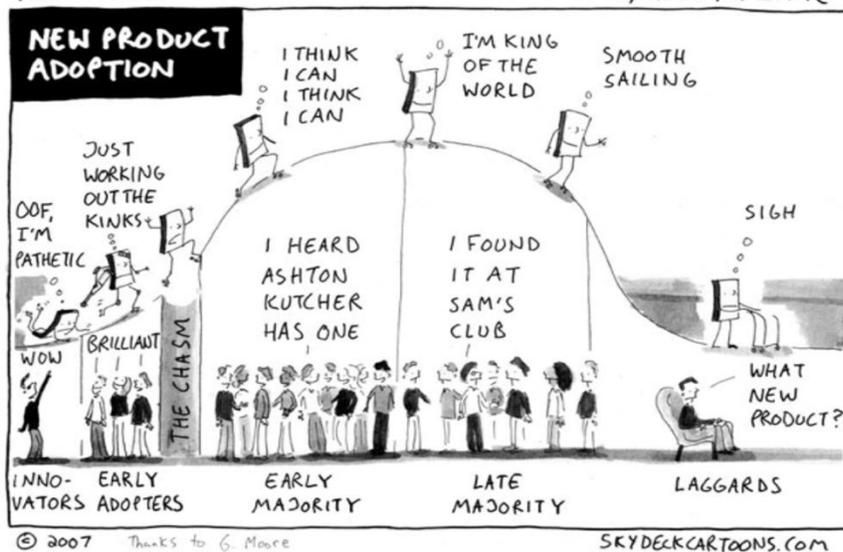
Diffusion of innovation model

Model of consumer behaviour, how products move into a marketplace.



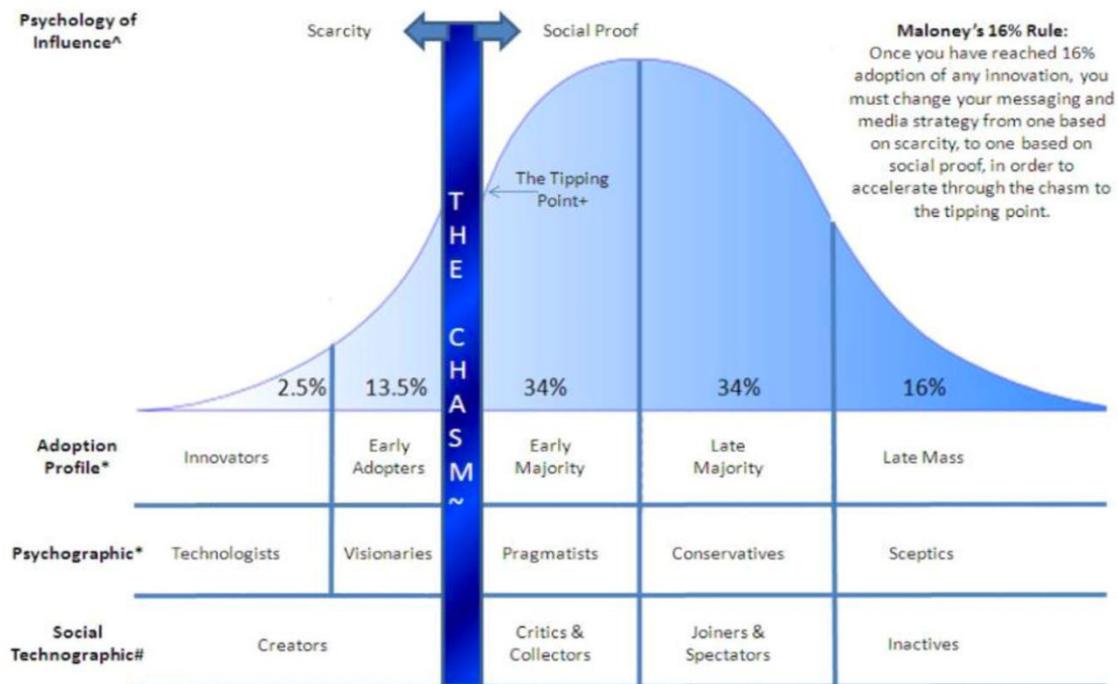
BRAND CAMP

by Tom Fishburne



Chasm between early adopters who are willing to take risks and be first, and the early majority who are pragmatists. They fail because they can't bridge the gap between people who are early innovators than pragmatists (the wider market).

Accelerating Diffusion of Innovation: Maloney's 16% Rule



Maloney's 16% Rule (help you cross the chasm): once you have reached 16% adoption of any innovation, you must change your message and media strategy from one based on scarcity to one based on social proof, in order to accelerate through the chasm to the **tipping point**.

The **tipping point** is that magic moment when an idea, trend or social behaviour crosses a threshold, tips and spreads like wildfire.

Agents of change

- **Connectors:** people with larger than average social connections and networks, who meet people and introduced people to each other.
- **Mavens:** information specialists. Collect cultural and marketplace information and share it. "Mavens are really information brokers, sharing and trading what they know"
- **Salesmen:** charismatic people with the ability to persuade others

A lot of ventures waste money spending lots of money on marketing communications and viral marketing.

Three forms of capital

Liquid

Economic

Cultural

Cultural capital and the means by which it is created or transferred from other forms of capital, plays a central role in societal power relations

Non economic form of domination and hierarchy, as classes distinguishes themselves through taste

Marketers appeal to various aspects of these all the time. Pieces/the accumulation of cultural capital is important

- Uni degrees
- Professional qualifications
- Accent
- Taste and manners
- Skills
- Style of dress
- And other things that define us as part of a group and especially a social class

Social

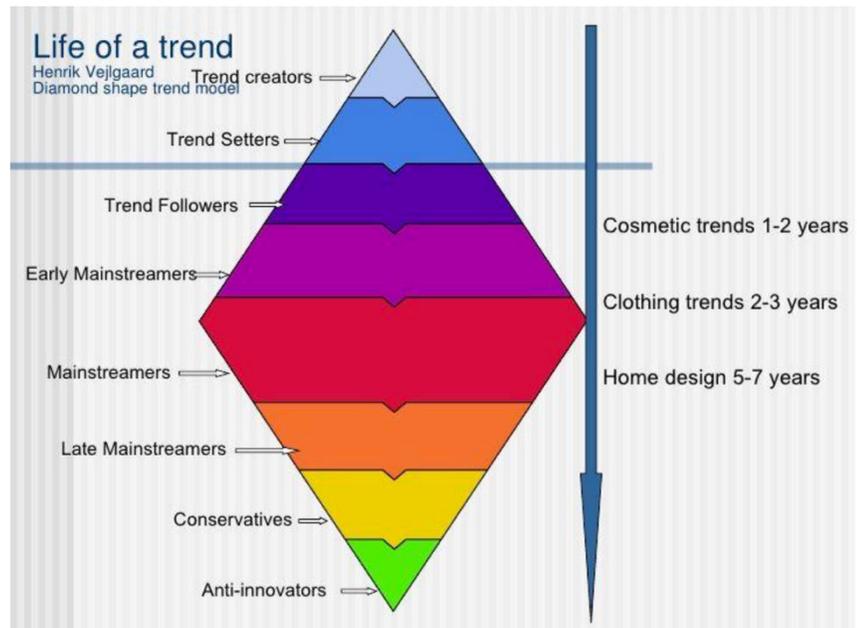
- Social networks (who you know)
- Family and family connections
- The resources that accrue to a person because of these social networks and connections

Reading: Trends

The way you identify a trend is if it can tap into multiple industries

Eg. 'New Modesty'

- A trend can be emotional intellectual and even spiritual
- Direction which something tends to move and which has consequential impact on the culture, society and business sector through which it moves
- One original idea with many prototypes that serve as copies of it (the core of a meme)
- Emotional transformation seems to be increasingly true and factual to making sense. Emotional transformative speeches, more so than the actual truth. Eg. Trump. Informs your logic
- Managing the meaning of the idea



Reading: Entrepreneurship Marketing

- **The term entrepreneurship marketing (EM) describes the marketing activities of small and medium enterprises (SMEs) and has conceptually developed within a vibrant and promising fresh field of research.**
- EM describes marketing activities with an entrepreneurial mind-set, irrespective of firm size or age.
- **Entrepreneurship:** individual opportunistic activity that creates value and bears risk, and is strongly associated with innovation.
- Business people with higher entrepreneurial orientation report greater possession of distinctive marketing competencies
- Firms founded by opportunistic entrepreneurs tend to experience much higher growth rates than those founded by craftsmen entrepreneurs

3. Disruptive innovation

Can entrepreneurs change the world?

Global trends: challenges and opportunities for entrepreneurs

- Climate change and environmental degradation
- Urbanization
- Population growth and demographic changes
- Globalisation and economic development
- Resource depletion/scarcity

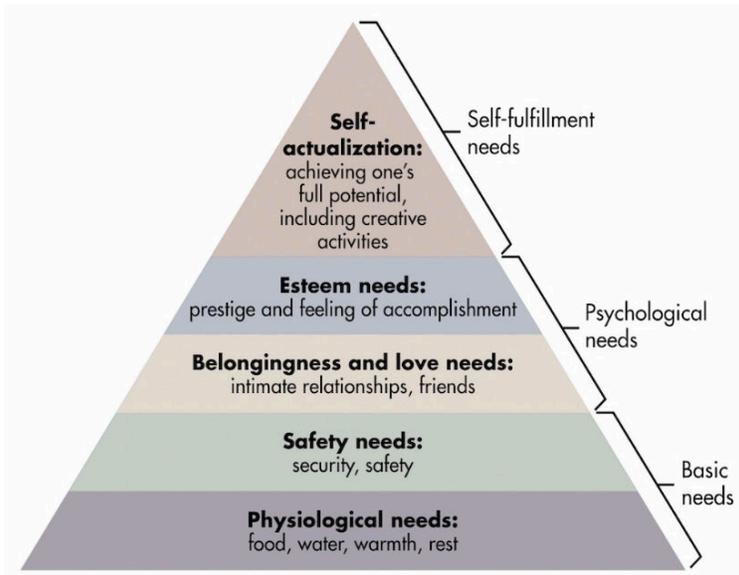
There has been high trends in urbanisation and megacities.

Challenges and Opportunities

There are relevant challenges and opportunities that arise from these trends:

- Agriculture and food security
- Housing and shelter
- Power
- Waste disposal and sewerage
- Health care
- Transportation
- Education

Maslow's Hierarchy of Needs



Challenge 1: Agricultural and Food Supply

Compounded challenges, urbanisation and food supply. One solution? Container farms and vertical farms.

Challenge 2: Access to Financial Services for 2 billion people that don't have it

Achieving universal financial access by 2020. 2 billion people lack access to a transaction account. The percentage focus in countries: Mexico 2.6%, China 11.6%, India 20.6% etc.