

## **ENTREPRENEURSHIP AND DESIGN THINKING**

### **LECTURE 7: MARKETING REQUIREMENTS FOR ENTREPRENEUR**

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#### **Overview**

- In our last lecture we talked about business model canvas, where we looked at nine components that are critical for a business to be successful.
- Among the things we talked about were value proposition, channels, customer relationships and customer segment.
- All these are items of marketing that in the current lecture we will touch on.

#### **Learning Outcomes**

1. Define marketing within the context of entrepreneurship
2. Outline how an entrepreneur would understand their market
3. Craft a unique value proposition for your business
4. Identify digital marketing essentials for an entrepreneurs

#### **Introduction**

- When you ask many people what marketing is, they are likely to talk of advertising and promotion. These are the most conspicuous aspects of marketing but not the only ones.
- Marketing can be thought of as the process or activities that an entrepreneur engages in, in trying to satisfy the needs of customers profitably.
- The process entails identification of the needs or the gaps that are there in the market, then creating a product or service that will meet the needs in a unique way (differently from competitors) and making profit while at it.

- It is important to note that a process will require an entrepreneur to do so creatively since they are probably not the only ones doing it. Meaning there are competitors in the market.
- The question of how you satisfy your customers as an entrepreneur better than your competitors is something we will address deeply in this lecture.
- As an entrepreneur you are not just concerned with making sales, but your focus should be on telling a compelling story that connects with the target audience, positioning the business as a solution to a specific need or problem.
- This is what should set you apart from just any other business
- As we noted in lecture two on design thinking, an entrepreneur should be customer-centric or human-centered as you are creating a solution for a problem in the marketplace.

### **Importance of Marketing for an entrepreneurial venture**

- **Understanding customers' needs and trends:** Marketing will compel an entrepreneur to do research on customers' needs. Using the first two phases of design thinking, an entrepreneur can research and observe to get insights of the gap or the problem in the market
- **Create a unique selling point (USP):** After identifying the gap, through marketing the entrepreneur is able to come up with a differentiating angle for their product or services, which sets them apart from competitors.
- **Building brand awareness:** Marketing helps an entrepreneur to create visibility for their business, making it easier for customers to recognize your products.
- **Attracting and retaining clients:** When you build a strong brand, you are in a better position to not only attract customers but also to keep them. This has the same effect on suppliers and employees.
- **Drive growth:** Marketing allows an entrepreneur to grow their business in markets and scope they were not before. A strong brand makes it easy for you to expand your reach.

- **Competitive Edge:** A well-established brand with a well-crafted USP will allow your business to stand out above its peers.
- **Flexibility:** Marketing demands the business to change as the environment changes, therefore allowing the business to adapt to customer feedback, trends, and industry developments.
- **Utilize resources sustainably:** Often start-ups and entrepreneurs operate under limited resources, marketing pushes them to think of effective yet inexpensive strategies to achieve their goals such as use of social media.

### **Difference between entrepreneurial marketing and traditional marketing?**

- **Structure:** Traditional marketing is very structural guided by systematic planning before execution. Entrepreneurial marketing is more innovative, experimental, real time and adaptive as data and environment demand.
- **Budget:** Traditional marketing is usually budget-driven, with huge resources being allocated to marketing. On the other side entrepreneurial marketing focuses on cost-effective, simple strategies such as digital marketing and social media to reach its audience.
- **Customer engagement:** Traditional marketing is heavy on one-way communication such as advertising to reach its audiences, a big contrast from entrepreneurial marketing whereby it is more of engagement hence the choice of two-way communication that allow you to gain insights.
- **Adaptability:** Traditional marketing is rather rigid, and the strategies are implemented over a long period of time unlike entrepreneurial marketing where they are agile and opportunistic in nature.
- **Risk level:** Traditional marketing allows for a low level of risks, meaning they are risk averse. The strategies are reliant on what is tested and proven. On the other hand, entrepreneurial marketing strategies are all about testing and pushing boundaries. They allow experimentation.

- **Success measure:** In traditional marketing metrics such as sales, market share are common. In entrepreneurial marketing, customer engagement, acquisition cost, feedback loops are emphasized.

### **Market Understanding using Design thinking**

As we noted, use of design thinking is critical in helping an entrepreneur understand the needs/gaps in the marketplace. The following are possible steps one can use in ensuring you understand and create a product/service that is customer centric.

#### **Understand and Observe Phases:**

- These two phases will help you develop empathy with your customers. When you conduct surveys, interview and observe your customers you get a deeper understanding of their needs and pain points.
- Using tools such as empathy mapping you can be able to visualize how they feel, think, say, and do.
- This step may require you to mirror customer in their normal day's activities to see how they currently interact with the product or service currently

#### **Synthesis Phase**

- This is about finding meaning from the data collected in understanding and observing phases.
- Turning data into information
- Turning information into insights and learning
- The entrepreneur you should now be able to create a persona and point of view of your customer

## **Ideate Phase**

- With a clear picture of who we are solving a problem for we can now start thinking of possible solutions
- In this phase entrepreneur generate possible ideas/solution for the problem/gap identified in phase one
- To find good ideas you must first find many ideas
- Aim to go beyond obvious and what is normal when you are generating ideas
- Use tools such as six hats, crazy eight, brainstorming, mind mapping, journey mapping among others
- When you are satisfied you have generated enough, you can embark on idea selection
- There are many criteria and tools that can help you to do idea selection, this were mentioned in lecture two.

## **Prototype**

- The idea selected can now be built upon
- It is a model of the solution
- We normally use available materials or space to build the model
- In this phase we make the idea tangible
- It allows us to get in touch with reality, making the idea accessible to customers
- Prototyping help to uncover hidden problems as we develop the practical solutions
- It also reduces risk, if it fails, since we are using cheap materials
- The idea here is to build it quickly without the need to perfect it
- Lecture two has possible ways you can develop your prototype

## **Testing**

- When the model is ready, we can now take it to potential users/customers
- We are encouraged to test as though we are wrong, this helps us to get more insights
- Testing helps us to validate our idea or solution that we are proposing

- When testing be sure not to sell, all you want is to get feedback from your customers
- Observe as they interact with your prototype to see how their non-verbal communication is saying
- Get feedback on what they liked, didn't like, and suggested
- Lecture two had tools to help you in gathering feedback
- The feedback should help you to improve your prototype
- Do as many iterations as possible
- Then deploy your solution

### **Crafting a Unique Value Proposition**

- Having used design thinking in understanding the market, half of the process in creating unique value proposition is done
- In the previous section you have already understood you target audience, defined the problem you want to solve and even come up with the solution
- Identify the unique selling points: by listing the unique features/benefits your product offers. This could be identified during the testing stage, what customers says is setting you apart from competitors
- Identify the benefits: Focus not just on the features of your product but what benefits will your customers get by using your product as much as possible quantify them (for instance "by using our product you save 20% on electricity)
- Clear and compelling message: Draft clear yet simple lines that capture the heart of your UVP followed by a paragraph that explains in detail (see the Target UVP) (Browning, 2024).
- Include visual such as images, videos infographics
- Using the design thinking approach test and iterate
- Ensure your communications are consistent across all the channels you use

- Train your team if you have one on how to convey your UVP



Source: <https://blog.hubspot.com/marketing/write-value-proposition>

## Digital Marketing Essentials for Entrepreneurs

As we saw when we were differentiating the traditional marketing and entrepreneurial marketing. To be successful an entrepreneur must have some essentials strategies.

- **Content Marketing:** To attract and engage your audience you must create valuable and relatable content. You can use social media such as X, Facebook, TikTok, LinkedIn to share your content. Have live sessions with your audience.
- **Leverage social media for marketing:** Use these platforms not only for engagement but also for marketing.
- **Email Marketing:** Ensure you start by developing an email list of your customers where you could be sharing regular newsletters or promotional materials. Personalize the emails for a better conversion rate.
- **Use Mobile Marketing:** Mobile phone is a gadget that wider reach and can therefore be a good tool to reach your audience. Your content and website should be mobile-friendly. Consider SMS marketing, development of apps for smartphones (Jadeja, 2024).
- **Data analytics:** Use appropriate tools to track traffic to your site and social media pages as well as to gain insights on user behaviors. Analyze the data for improved decisions.

- **Search Engine Optimization (SEO):** Optimize your website to rank higher in search engine results through content and keywords (Chris, 2024).

### **Global Marketing Considerations for Entrepreneurs**

When faced with the option of venturing into foreign markets, as an entrepreneur here are a few considerations one needs to consider.

- **Cultures:** There is a need to do proper research on the cultural differences between your native market and the market you want to venture into. These will allow you to tailor make your products or marketing communications appropriately.
- **Customer behavior:** Culture is also tied closely to customer behavior. Get to understand the taste and preferences of each market you want to venture into.
- **Legal framework:** Determine what is business environment from the legal perspective, in lecture three, we noted the form you adopt may be determined by the legal requirements
- **Channels:** Determining which channels apply in the local market and if there are partners you can work with is equally important. Success in other markets may be solely determined by access to distribution channels.
- **Pricing Strategy:** Determine which pricing strategy may work in the foreign markets, given the local economic conditions as well as factors such as the foreign currency exchange rate.
- **Brand positioning:** An entrepreneur must be able to figure out what moving your brand to a foreign market will require on the current brand. Issue such as recrafting slogan, messaging without losing the value proposition is important.

### **Topic Review**

- In this topic we looked at what marketing is within the context of entrepreneurship, we differentiated traditional marketing from entrepreneurial marketing.
- We outlined how an entrepreneur can understand the market using design thinking approach
- We detailed how you can craft a compelling UVP
- We looked at the digital marketing essentials for an entrepreneur

- We concluded with global considerations an entrepreneur needs to market when they think of going beyond their country
- Next topic we will look at electronic commerce and entrepreneurship

## References

Browning, L. M. (2024, August 6). How to write a great value Proposition [7 top examples + template]. *How to Write a Great Value Proposition [7 Top Examples + Template]*. <https://blog.hubspot.com/marketing/write-value-proposition>

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