

# Marketing

intentionally left blank

# Marketing?

- There are a lot of definitions of marketing

“Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals.”  
(AMA: American Marketing Association)

“The art and science of applying core marketing concepts to choose target markets and get, keep, and grow customers through creating, delivering, and communicating superior customer value”  
(Philip Kotler and Kevin Keller)

“The aim of marketing is to make selling superfluous.” (Peter Drucker)

## “Marketing” : Keio EDGE flavor

- Marketing is not about making decent plans
- Marketing is not about making hype or buzz
- Marketing (Market + ing) is comprehensive activities to make the business growth
- In order to spread your innovative idea, you have to make the business growth
- **Innovative idea + Growth = Innovation**

# Where is your market?

- Typical questions from stakeholders:
  - “Where is your (primary/secondary) market?”
  - “How big is your market?”
  - “Is your business scalable?”
- You cannot target at all over the world from the beginning (because you are a small startup)
  - Define your primary market first
  - Get monopoly on the market and spread it to others

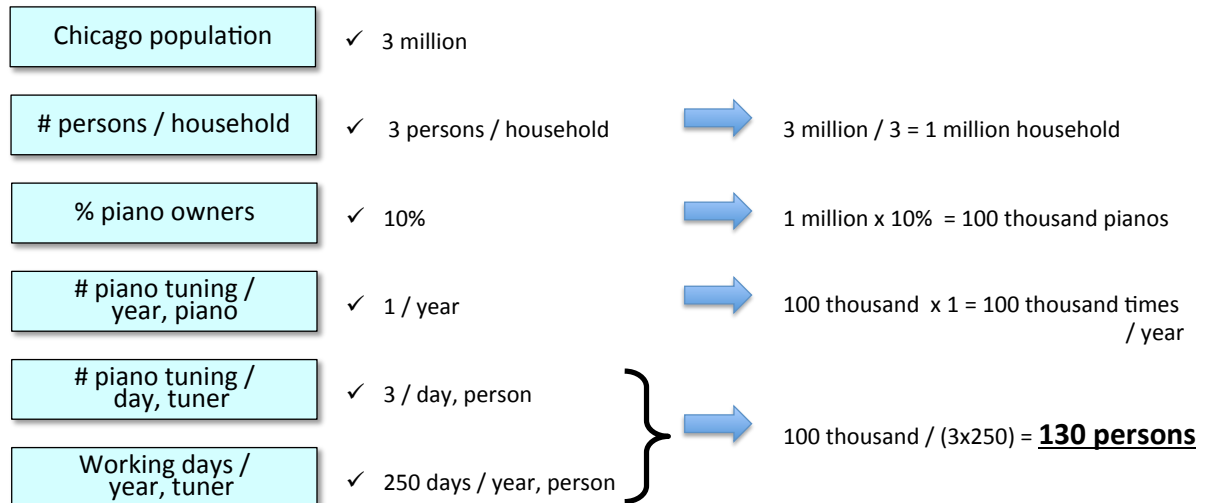
## Exercise

### Market Sizing

- Estimate the market size you are primary targeting at.
  - Accurate estimation is impossible.
  - Use “Fermi estimate” as your best effort.
- Moneywise sizing is preferable, but population-wise sizing is ok too.
- Jot down your estimation process including all the hypothetical numbers so that you can update them later on.
- Once you finished market sizing for primary market, do it for secondary market.
  - Don’t target at all over the world.
  - Be realistic.

# Sample of Fermi estimate

**Q: How many piano tuners in Chicago?**



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## Knowing your market

- You should know your market well.
  - size
  - trend
  - customer profile
  - other players
- You should know:
  - how competition in your market is fierce
  - how market environment is attractive for your business
- So many people focus only on their own resources (strength and weakness), but ignore other players.

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# Competitiveness

- Do not get into hyper competitive market
  - avoid a war of attrition
- Differentiate yourself from others
  - build unique and innovative value proposition
  - change the rule of the game

## Blue Ocean Strategy

- Blue Ocean Strategy is about changing the industry's rule of game
- Differentiate yourself from existing players

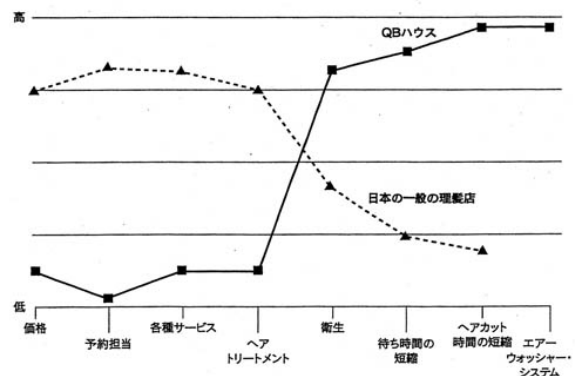
### Red Ocean?

- # players : approx. 130,000
- Market size : 700 bil. JPY
- Trend : shrinking longtime

(market of existing barbers)

### Blue Ocean?

or



「ブルーオーシャン戦略—競争のない世界を創造する」  
(Harvard business school press)  
W・チャン・キム、レネ・モボルニユ

# Marketing Framework: 4Ps

- 4Ps is one of the most famous framework of marketing.

**4Ps** from  
a supplier's view

**Product**

- ✓ Product characteristics / design / product items / package/ brand / after service /

**Price**

- ✓ List price / pricing policy

**Place**

- ✓ Distribution channel / EC channel / catalogue / sales force

**Promotion**

- ✓ Advertisement / PR / sales promotion

**4 Cs** from  
a customer's view

**Customer Solution**

**Customer Cost**

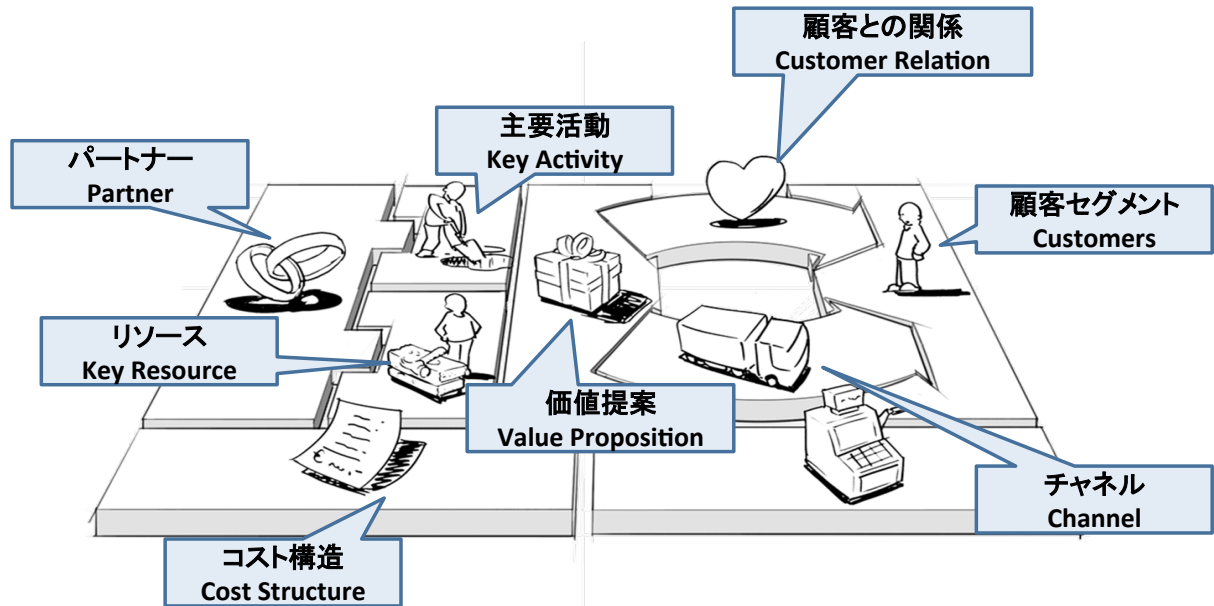
**Convenience**

**Communication**

# Marketing Framework: 4Ps

- 4Ps is a classic framework for designing your marketing mix.
- It is not merely for planning but for implementation.
- Four factors are closely related each other.
  - If pricing would be changed, others would be changed.
  - If channel would be changed, others would be changed.

# Business Model Canvas



It is a **visual chart** with elements describing a firm's or product's value proposition, infrastructure, customers, and finances. It assists firms in aligning their activities by illustrating potential trade-offs.

The Business Model Canvas was initially proposed by Alexander Osterwalder based on his earlier work on Business Model Ontology. Since the release of Osterwalder's work in 2008, new canvases for specific niches have appeared, such as the Lean Canvas. (Wikipedia)

# Business Model Canvas

