



Co-funded by the
Erasmus+ Programme
of the European Union



UNIT 8: Marketing and selling

You should now have an idea, that includes meaning, that can create value for a defined set of customers as well as a basic plan for how to do this. Keep your eye on all four of these while we talk about marketing and selling.

I'm sure you've heard about marketing. You've possibly taken a course in marketing. And you have almost certainly been subject to marketing of some sort. You probably can distinguish between effective marketing and poor marketing, although you might not be able to explain the difference.

Marketing and sales generally follow innovation. So once you've developed your idea into a new product or service, you turn to commercialization – which means you need to find ways to market and sell your product or service.

A good place to start might be to consider the 4 Ps of marketing: Having a product or service that satisfies a need or want. Setting an appropriate price. Putting the product or service in a place where people will buy it. And promoting the product or service.

Once you've answered these questions, you can turn to the core question of marketing. This question used to be about how sellers could sell. But, more recently, the question is more about helping buyers to buy. Why this change? It's another current trend. Customer power is increasing in the digital age:

Customers demand relevant information when they need it, anytime 24/7.

Customers can share experiences, compare and rate products and services online.

It's much more difficult for businesses to get away with empty claims when customers are talking to each other instead of just listening to or seeing the businesses' advertising.

Let's turn to Amazon for an example. Amazon has been inviting customers to post reviews of products they have bought for 20 years. People thought Amazon was crazy to do this! In fact, research has shown that online reviews from sites like Amazon are the second most trusted source of a brand's reliability. The MOST trusted source is recommendations by friends and family. The reliability of online reviews is questioned. Once someone has decided to buy something, they are more likely to give it a positive review. (This is a form of confirmation bias.) People tend to blur the boundaries between their satisfaction with a product and their satisfaction with the shipping process.

The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

The Beehive project, the persons appearing in the course materials and their employers cannot be held responsible for any use which may be made of the information contained herein.

Oddly, a product with only negative reviews sells better than a product with no reviews! Apparently no one wants to buy what no one else has bought.

So, how can we help buyers buy? To do this, we need to consider four areas of customer demands:

People want to be able to buy and use your product or service whenever or wherever they want.

People want the information you provide in your marketing to add value and meaning to your product or service.

People want a product or service that is personalized to their particular needs and wants.

People want it to be very easy to buy and use your product or service. So don't put them off by making things complicated.

These demands call for smart handling of customer experiences, social media and big data. We already talked about the importance of customer experiences. Remember, the meaning.

Second, social media. The number of stars a book has on Amazon and the first few reviews by a few random people are more influential than the name of the publisher. What people say about your business, your brand, your product or service, on social media is likely to hold a lot more sway than what you say about them yourself. So let's find out a bit about the use of social media in innovation.

Social media has become part of everyday life for millions of people. Businesses are eager to find ways to leverage social media in the innovation process, but they are not sure how to go about this.

Meet Stephanie. She is in charge of the innovation process in her company. The company has a great idea for a new product, and Stephanie is trying to figure out how social media could be used in the different phases of the process. So, she decides to go talk to her colleagues to try to learn from their experiences.

Stephanie: Hey Jeremy, we are starting a new innovation project and I heard you tried using social media for doing market research? Could you tell me about it. I don't know where to start!

Jeremy: I sure did and I had high hopes. I spent a whole lot of time and effort creating surveys to post on social media, and I even tried creating a virtual focus group.

Stephanie: Wow, that's impressive!

The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

The Beehive project, the persons appearing in the course materials and their employers cannot be held responsible for any use which may be made of the information contained herein.

Jeremy: Then I hired a numbers guru to analyze a whole bunch of data from social media to try to figure out what customers want. In the end, all we got was reduced profits! It was a disaster.

Stephanie: Hi Viola, I've heard rumors that you've been involving users in developing new products through social media. I'm planning on using co-creation for my new project and I'd love to hear about your experience!

Viola: Well, it sort of worked. We did get some novel ideas, so I think we ended up with a more innovative product.

Stephanie: Well that's great!

Viola: But unfortunately, there were no market or financial benefits. So, we were probably doing something wrong. We're going to re-think our strategy before we try this again.

Stephanie: Hello Toby. How's it going?

Toby: I'm swell

Stephanie: I've been to see Jeremy and Viola and they've basically told me that their attempts to use social media haven't been all that successful. Have you used social media around launching new products?

Toby: I sure have, and I will definitely keep doing so!

Stephanie: I'm glad there's finally some good news

Toby: By using social media around the launch of our latest product we managed to create a strong buzz and lots of positive word of mouth. Before we knew it, there were entire online communities talking about our product. It was an all-around success!

Stephanie: Thanks Toby! I guess I'll focus on using social media for the launch then.

Our research has shown that the benefits that companies hope to gain from using social media for innovation are mostly not being realized.

It seems clear that companies need to think carefully about the strategies they use for leveraging social media. They can't just take what worked before and copy it „as is“ to social media.

Partly connected to social media is big data. There are a lot of data out there. There are structured data, for example the data retailers and airlines collect about their loyalty card customers and their behavior. Then there are unstructured data, for example all the reviews that have been written about a product on Amazon or Facebook. The growth of big data has led to intense growth in the demand for sophisticated data analytics. Maybe you can't afford that, but you should definitely trawl social media for insights on what customers are saying

The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

The Beehive project, the persons appearing in the course materials and their employers cannot be held responsible for any use which may be made of the information contained herein.

about your product or service, and what they are saying about competitors' products or services.

When trying to understand consumer behavior it is important to understand the steps of the decision-making process followed in making a purchase.

First, the customer recognizes a problem or need. Something as simple as „I need new tires for my car“.

Next, the customer searches for information – about tires, about safety, about local tire dealers, and about any sales going on.

Next, the customer sets out and visits a few tire dealers, perhaps talks with salespersons – and the customer may also ask friends and relatives what tires they have under their cars

Finally, the customer makes a decision for a specific brand and model of tires and a place to buy them

The tires get installed and then the customer starts evaluating them. What does it feel like to drive on the new tires? At first, the customer may even experience some level of post-purchase doubts, which are quite common.

The customer's evaluation goes on over a long period of time.

Until the tires wear out and a new need for tires arises.

The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

The Beehive project, the persons appearing in the course materials and their employers cannot be held responsible for any use which may be made of the information contained herein.