Workshop on Knowledge Sharing and Networking  
UN-House, Beirut, 17-19 December 2008

Training Course on  
Marketing  
for Community Telecentres  

Joyce Sirgi  
19 December 2008

Trainer bionote

Ms Joyce Sirgi  
• Master’s degree in Economics (St Joseph University – Beirut)  
• 25 years of professional experience in various distribution firms in the Gulf countries, South Asia and Europe  
• University teacher in Marketing, International marketing and Sales force management  
• Current research interests: Development of marketing study cases in Lebanon
Schedule

13.45 – 15.30

1- Introduction to Marketing core concepts
2- Market environment study: Telecentres market analysis
3- Strategic marketing: Telecentres End-users target market

15.30 – 15.45  Break

15.45 – 17.30

1- Products planning: Telecentres offered services
2- Pricing policy: Telecentres pricing
3- Advertising and Promotion policy: Telecentres communication strategy

Introduction

Marketing Core Concepts
What Is Marketing?

Many people use the term ‘marketing’ as a synonym for ‘selling’!!!

Marketing is more than just accomplishing a sale
Sales is
a transaction between a seller and a buyer

An exchange

Product

Money

Marketing is

1. Understanding your customer's need
2. Satisfying your customer's need
3. Developing your customer's loyalty
Selling versus Marketing

A sales-oriented firm tries to get the customer to what the firm wants

BUT

A marketing-oriented firm tries to get the firm to have what the clients need

How marketing evolved?
Before 1960: Sales orientation


1960-2000: Customer focused


Since 2000: One to One customer relationship

Emergence of Technology → Interactivity with Customers → Individualized Marketing → Increase customer’s long term loyalty
Marketing Applications

Marketing adapted to FMCG or tangible products

- Marketing adapted to Services: Banks, Insurance, ...

- Marketing adapted to Political parties, Non-profit organizations, ...

Marketing Core concepts
1. Customer Needs and Wants

Customer NEED # Customer WANT

A NEED is a feeling for lack of life necessities

A WANT is a way to satisfy a need

Marketing objective is NOT to create needs
BUT to orient wants

2. Customers Demand = Market

In Marketing, Market is a group of actual or potential customers able and eager to proceed with an exchange that will allow them to satisfy a desire

NEEDS → WANTS → DEMAND → OFFER → IDEA

PRODUCTS

SATISFACTION

ADJUSTMENT OF OFFER
The benefits and costs of an offering may vary from one customer’s view to another; hence a firm may not be able to satisfy everybody with the same offering.

4. Customers Satisfaction

It’s the ultimate Objective of a Marketing process

Satisfaction = Offer performances v/s Customer expectations

- If Performances > Expectations → Enthusiasm
- If Performances < Expectations → Deception
- If Performances = Expectations → Satisfaction
Any Telecentre’s CUSTOMER is …
Your BOSS

The marketing manager is …YOU!!!
Basic Marketing Functions

1- Understand your market environment

- Competitors
- Consumers
- Socio-demographic Environment
- Economic Environment

Your business

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2- Identify and select your target market

3 – Find out your differential advantage to attract your target
4 - Select proper tools to appeal to your target

The marketing mix consists of 4 Ps:

- Propose a distinctive product
- Define an attractive price
- Develop customer service
- Plan promotional activities

Part 1
Market Environment Study

Socio-demographic Environment
Economic Environment
Market Definition

In marketing, the term *Market* refers to the group of customers that:

1. Is interested in the product
2. Has the resources to purchase the product

The market definition begins with the total population and progressively narrows as shown in the following diagram:
How to Measure a Market?

- **Market volume**
  \[ \text{Market volume} = \text{Number of customers} \times \text{average quantity purchased per customer} \]

- **Market value**
  \[ \text{Market value} = \text{Number of customers} \times \text{average value purchased per customer} \]

- **Share of market**
  \[ \text{Share of market} = \frac{\text{Total sales of a firm}}{\text{Total sales of the market}} \]

Demographic Environment

Demographic components are easy to identify, collect, measure, and analyze.

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Socio-Cultural Environment

- Culture
- Social Class
- Social performance
- Time Expenditures
- Family Life style
- Opinion Leaders
- Reference Groups

Economic Environment

- GDP
- Inflation Rate
- Unemployment Rate
External Factors Influencing Community Telecentres  (Examples)

1) **Demographic Environment:**
   - **Age**
     (% of young people, % of people > 65)
   - **Gender**
     (% of men and % of women)
   - **Occupation**
     (Farmers, Industrials, Services occupation)
   - **Education**
     (Spoken/Written languages, Literacy rate, % of school students, % of university students or graduates,...)

2) **Social Environment:**
   - **Community culture:**
     (Behavior and attitude towards technology, – barrier men v/s women)
   - **Social class split among population:**
     (% of middle or poor class)
   - **Reference groups:**
     (Importance of the family, Existence of gathering clubs - sport / others)
   - **Existence of Opinion leaders:** (School Teacher)

3) **Economical Environment:**
   - Unemployment rate in the community
   - Households saving level

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**Competition Analysis**
What Is a Competitor?

YOUR competitor is anyone who satisfies YOUR consumer’s needs / wants with similar products or services

Who Are Your Competitors?

Competition is very large
Competition is not always a direct competition
YOUR marketing challenge

To Focus on End-Users needs / wants
and
Deliver a BETTER VALUE than competitors

Consumer Analysis
Why Consumers Are So Important?

Because they are source of your business growth and revenue!!!

You can increase your business growth and revenue by:

1. Acquiring more customers
2. Persuading each customer to buy more products
3. Persuading each customer to buy more often and more expensive products

Two Types of Consumers

1. Final consumers
   - Pay for services/goods geared towards personal, family or household use
   - Purchase services/goods as individuals
   - Use both disposable and discretionary income
Two Types of Consumers

2. Organizational consumers

Buy for:

- Use in operations
- Further production
- Resale to other consumers

You want to know your potential customer?

Collect Information
Consumer Analysis includes the study of:

Who buys?
- What do they buy?
Why do they buy?
- When do they buy?
Where do they buy?
- How often do they buy?
How do they make decisions to buy?

Who Buys?

Information to collect  →  Consumer Demographic Profile
- Age
- Gender
- Marital Status
- Education
- Occupation
- Location
What Do they buy? When Do they buy? Where Do they buy?

Information to collect

1. Social Consumer Profile
   - Culture
   - Social Class
   - Family Life Cycle
   - Reference Groups

2. Brand Characteristics
   - Brand Notoriety
   - Brand Image
   - Brand Quality

How Do They Make Decisions to Buy?

Information to collect

Consumer Psychological Profile

- Personality
- Attitudes or Opinions
- Motivation
- Perceived Risk

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The Final Consumer’s Decision Process

1. Stimulus
2. Problem Awareness
3. Information Search
4. Evaluation of Alternatives
5. Purchase
6. Post-Purchase Behavior

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Part 2
Marketing Strategy Process
Intuition Is Not Enough !!!

It’s Imperative to use
A scientific approach

The Strategic Marketing Process

1. External Factor Analysis
2. SWOT Diagnosis
3. Marketing Objectives
4. Target Market & Offer Positioning
5. Implementing Marketing Mix

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Step 2: Performing SWOT Diagnosis

The SWOT Diagnosis is a continuous review of a firm's market position

### Telecentre SWOT Diagnosis (Example)

<table>
<thead>
<tr>
<th>Internal Factors</th>
<th>External Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>S</strong></td>
<td><strong>O</strong></td>
</tr>
<tr>
<td>Telecenter Strengths</td>
<td>Environment Opportunities</td>
</tr>
<tr>
<td>- Creative manager</td>
<td>• Non-availability of individual network connections</td>
</tr>
<tr>
<td>- Diversified services</td>
<td></td>
</tr>
<tr>
<td>- Appropriate prices</td>
<td></td>
</tr>
<tr>
<td><strong>W</strong></td>
<td><strong>T</strong></td>
</tr>
<tr>
<td>Telecenter Weaknesses</td>
<td>Environment Threats</td>
</tr>
<tr>
<td>- Limited number of end-users</td>
<td>• Strong competitors</td>
</tr>
<tr>
<td>- Dirty place</td>
<td>• Culture resistance</td>
</tr>
</tbody>
</table>

A Telecentre should: Emphasize its strengths – Correct its weaknesses – Take advantage of environment opportunities – Face environmental threats
Step 3: Setting marketing objectives

Marketing Objectives establish the firm’s goals:

- **Quantitative Objectives**
  - Dollar sales
  - Percentage profit growth
  - Market share

- **Qualitative Objectives**
  - Image
  - Level of Innovativeness

Without clearly identified objectives, firm often fail

Telecentre Marketing Objectives (Example)

- **Quantitative Objectives**
  - Increase the number of end-users growth
  - Increase the variety of proposed services

- **Qualitative Objectives**
  - Image (Cleanliness, Ambiance, …)
  - Develop Managers initiative and creativity
  - Raise telecentre awareness
  - Be a key information center for the community
Step 4: Developing a marketing strategy

**A Segment Your Market**
Subdivide your market into clear subsets of customers with similar needs

**B Select the Target Market**
The target market is the customers group to which your organization appeals.

**C Position Your Offer**
Define an offer with a preferential advantage versus competition

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**Segmentation**

- **Heterogeneous Market**
  - By definition, a market is **Heterogeneous**: Customer needs and desires are diverse

- **Clustered Market**
  - Based on purchase criteria, customer needs and desires can be grouped into two or more identical clusters (segments)

- **Homogeneous Market**
  - Each of the segment is **Homogeneous**: Customers have relatively similar needs and desires for a good or service

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1. **Geographical and socio-demographic criteria:**
   Weather, age, gender, religion, ethnicity, occupation, education level, income, household size, ...

2. **Personality and life style criteria:**
   The ways in which people live and spend time and money

3. **Purchase behavior and consumer attitude criteria:**
   Purchase process, personality & purchase motives, ...

### Segmentation
**Community Telecentres End-Users (Example)**

<table>
<thead>
<tr>
<th>1st criteria</th>
<th>2nd criteria</th>
<th>10 – 20 years old</th>
<th>21 – 30 years old</th>
<th>31 – 45 years old</th>
<th>Above 45 years old</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Communication</td>
<td>Segment 1</td>
<td>Segment 2</td>
<td>Segment 3</td>
<td>Segment 4</td>
</tr>
<tr>
<td></td>
<td>General knowledge</td>
<td>Segment 5</td>
<td>Segment 6</td>
<td>Segment 7</td>
<td>Segment 8</td>
</tr>
<tr>
<td></td>
<td>Business</td>
<td>Segment 9</td>
<td>Segment 10</td>
<td>Segment 11</td>
<td>Segment 12</td>
</tr>
<tr>
<td></td>
<td>Entertainment</td>
<td>Segment 13</td>
<td>Segment 14</td>
<td>Segment 15</td>
<td>Segment 16</td>
</tr>
</tbody>
</table>
After having identified significative segments, a firm should choose its target group.

### Target Market

**Community Telecentres End-Users (Example)**

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<td>Segment 14</td>
<td>Segment 15</td>
<td>Segment 16</td>
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</table>
**Target Market Approaches**

**Undifferentiated Marketing**
*One offer for all segments*

**Differentiated Marketing**
*One offer or more to each of the segments*

**Concentrated Marketing**
*One offer or more to one market niche*

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**Offer Positioning**

It’s a strategic choice or *Differential Advantage* enabling the firm to propose a unique feature that:
- Attract customers
- Is different and better than competitors’ offer
Part 3
Marketing Mix Implementation
Product Planning

Marketing Mix

Product
Price
Place
Promotion
What Is a Product?

A product is any offer capable of satisfying customer needs and expectations

*Marketing Management- Kotler & Dubois

What is a product?

A Product Is:

- A basic physical entity, service, idea,…
- It has precise specifications and is offered under a given description or model number
- It denotes color, style, size, weight, durability, quality, and price features

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### Product Classification

a. **“Non-Durable” goods:**
   Consumable products made from materials other than metal, wood, and hard plastics.
   ex: Food or Hygiene products

b. **Durable goods:**
   Physical goods used over an extended time
   ex: Refrigerators or clothes

c. **Services:**
   Activities that are subject to a transaction between the service provider and the end-user: maintenance, hair care or medical services

*Marketing Management- Kotler & Dubois*

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### What Product Do YOU offer?

**Internet Services**

**YOUR marketing mission**

Develop and manage *Services* that *Satisfy* your end-users
What Are the Main Internet Services?

1. **Provide Information** from a website and transform this information into knowledge
2. **Communicate** directly with users at other computers (Chatting)
3. **Generate sales and revenues** (e-commerce)
4. **Entertain** (Games)

Are your offered services matching your end-users’ needs and desires?
**Telecenters: A Multi-Purpose Offer**

1. **Information**:
   - Access to knowledge in any requested field: (Medicine, Cooking, Maintenance works,..)
   - Access to distance education
   - Computer Training Courses
2. **Communication with users at other computers**:
   - Relatives
   - Specialists in any field
3. **Business**:
   - Find a work opportunity
   - e-Sales
   - Convert individuals/small companies documents to electronic database
4. **Entertainment**:
   - Games
5. **Various activities**:
   - Printing, typing, photocopying, scanning, photos printing,....

* List inspired from other telecentres’ activities - to be discussed with participants

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**Marketing Mix**

- **Product**
- **Price**
- **Place**
- **Promotion**
Defining Prices

What Is a Price?

Price represents the value of a good or service for both the buyer and seller.
1. Generate revenues that allow organisations to ensure sustainability

2. Indicate the positioning of a product/service

3. Face competitors with aggressive weapon

4. For some products price can be the primary customer criterion for choice

Factors Affecting Price Decisions

1. Costs
2. Marketing objectives
3. Consumer
4. Competition

Total effects on price decisions
1. **Profit Drivers**

   ![Diagram of Profit Drivers]

   - PROFIT = SALES REVENUE - TOTAL COST
     - SALES VOLUME $\times$ PRICE - VARIABLE COSTS + FIXED COSTS

2. **Pricing Approaches**

   - **Price-Based Approach**
     - Sellers influence consumer demand primarily through changes in price levels.

   - **Non Price-Based Approach**
     - Sellers downplay prices as a factor in consumer demand by creating a distinctive good. The more unique an item is, in the consumer’s eyes, the less driven he/she is by price. Prestige items can maintain higher prices.

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Consumer Perception and Price

- Consumer behavior is often based on the individual’s perception and other psychological characteristics.
- The more unique a product offering is perceived by the consumer, the greater a firm’s freedom is to set prices above the competitors’.

Perception: two faces or a vase? What the consumer perceives affects value.

Demand Sensitivity to Prices = Elasticity

- For most products, Elasticity is negative
  - Demand is sensitive to prices change
  - If price rises, then demand falls
  - If price falls then demand rises
Sales of “Economic” Cars

<table>
<thead>
<tr>
<th>Price</th>
<th>Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12,000</td>
<td>Negative Elastic</td>
</tr>
<tr>
<td>$10,000</td>
<td>Negative Elastic</td>
</tr>
</tbody>
</table>

Sales of “Luxury” Cars

<table>
<thead>
<tr>
<th>Price</th>
<th>Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,000</td>
<td>Positive Elastic</td>
</tr>
<tr>
<td>$40,000</td>
<td>Positive Elastic</td>
</tr>
</tbody>
</table>
How do you price your services at your telecenter?

Do you know your costs? Fixed and variable?

What are your main sources of revenues?

Are the prices of your offered services matching your end-user purchasing power?

Do you issue a price list?

* Questions / Answers to be shared with participants
Marketing Mix

Product

Price

Place

Promotion

Retail Place Differential Advantages

Retail Atmosphere

Products quality and assortment

Degree of personal service

Prices
Inseparability of Service

A service provider and his services are **inseparable**

End-Users Versus Service Providers

- **End-users desire**
  - Convenience services
  - Inexpensive services
  - Tangible benefits

- **Providers desires**
  - High success rates
  - Recognition of their contribution
  - Efficient operations
The Telecentre’s Place

Premises:
Atmosphere, cleanness, opening
Time, ...

Staff:
Professionalism, kindness, disponibility, ...

Technology:
Easy access, usefulness, ...

Ensure BEST End-user SERVICE

Marketing Mix

Product
Price
Place
Promotion
Promotion = Communication

**Promotion** is any *communication* used:
- To Inform
- To Convince
- To Remind
people about an organization's or individual's goods/services

1. Advertising
2. Public Relations
3. Sales Promotion

Communication Goals

- Stimulating demand
- Enhancing company Image
Advertising

- Advertising is paid communication transmitted through various media: TV, Written press, Cinema, Billboards, & Internet

- Advertising target is:
  - End-users
  - Opinion leaders

Public Relations

- Public Relations: Include any communication to promote a favorable image for goods, services, organizations, people, places, and ideas among their publics. It can be paid or non-paid (mouth-to-mouth communication)

- Public Relations cover activities such as: sponsoring, organisation of events, ...

- Major Public Relations goals are:
  - Gain increased media coverage
  - Gain favorable public opinion
Sales Promotion

Sales promotion involves paid marketing = activities intended to stimulate purchases

- Sales promotion activities include: Trade shows, giveaways, demonstrations, …

How can Telecentres promote their image and their offered services?
Telecentres
Communication Objectives

1. Create/Raise awareness about the telecentre’s existence in the Community
2. Communicate on the telecentres various services offered to the community
3. Communicate on the link between offered services and community needs
4. Communicate on the importance of Internet in general

Telecentres
Suggested Communication activities

1. Advertising
   - Advertisement on simple flyers to be distributed door to door
   - Free editorials in local newspapers, local distributors brochures or local radio programs
2. Public relations:
   - Organize demonstration workshops to initiate community people to Internet
   - Organize conferences, with relevant themes based on the importance of information, and conducted by specialists
3. “Sales promotion”
   - Implement “price attractive” activities: such as 2 free courses for anyone who wants to register to a complete computer training course