

# Principles of Marketing

Instructor: Dr. Liz Kheng

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## Module 2: Funding My Startup

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### Welcome

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A small campus café can have amazing coffee and friendly staff—and still struggle. Why? Because marketing success isn't only about "having a good product." It's about making smart strategic choices while responding to what's happening around you: student schedules, budgets, trends, competitors, technology, and expectations.

In this module, you'll learn how marketers see the situation clearly and make strategic decisions that fit reality.

### Learning Objectives

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By the end of this module, you will be able to:

**1. Explain the difference between strategy and tactics.**

You'll understand that strategy is the long-term "how we win" decision, while tactics are the specific daily or weekly actions that support that plan.

**2. Identify key forces in the marketing environment.**

You'll be able to recognize social, technological, economic, legal, and competitive forces that shape customer behavior outside of a business's control.

**3. Complete a basic SWOT analysis.**

You'll learn to categorize factors into Strengths, Weaknesses, Opportunities, and Threats to organize business reality.

**4. Use SWOT findings to make a realistic strategy recommendation.**

You'll practice turning analysis into a concrete strategic choice that connects a strength to an opportunity or fixes a weakness.

### Key Concepts

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#### **Strategy vs. Tactics:**

Strategy is the "how we win" decision (long-term direction). Tactics are the specific actions taken to carry out the strategy (short-term execution).

#### **Competitive Advantage:**

The specific reason customers choose you over alternatives. It is not just being "good," but being better at something specific (convenience, price, quality, experience).

#### **Target Market:**

The primary customer segment a business chooses to focus on serving, acknowledging that they cannot serve everyone equally well.

### SWOT Analysis:

A framework for organizing factors affecting a business: Strengths (Internal), Weaknesses (Internal), Opportunities (External), and Threats (External).

### Marketing Environment:

The outside forces (Social, Technological, Economic, Legal/Ethical, Competitive) that shape customer choices and are largely outside a business's control.

### Direct vs. Indirect Competitor:

Direct competitors offer the same solution (coffee shop vs. coffee shop). Indirect competitors offer a different solution to the same problem (coffee shop vs. energy drink vs. making coffee at home).

## Quick Self-Check

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Before moving on, ensure you can:

- **Explain the difference between strategy and tactics:** Strategy guides long-term direction; tactics are weekly actions.
- **Give a real example of a SWOT element:** Strength = high-quality product; Opportunity = growing student demand.
- **Identify an environmental force:** Technology trend: mobile ordering becoming expected.

## Part A: Strategy vs. Tactics (and Why It Matters)

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### 1) Strategy is the "how we win" decision

A marketing strategy is the **big decision** about who you serve, what value you deliver, how you'll be different, and how you'll grow over time. A strategy is not a list of tasks. Strategy is a **choice**. Every choice has trade-offs.

The most important strategy question is: *"If we can't be everything to everyone, who are we best for—and why?"* That question forces focus. Focus is what makes marketing work.

### 2) Tactics are the actions that carry out the strategy

Tactics are the specific things you do to support the plan: running an Instagram campaign, offering a coupon, printing posters, partnering with student organizations, or launching a new menu item.

**Strategy answers:** "Where are we going and how do we win?"

**Tactics answer:** "What are we doing this week to support it?"

*A quick test: If it changes weekly → likely a tactic. If it guides decisions for months → likely a strategy.*

## Story: The Late-Night Dining Problem (a strategy mistake)

A campus dining location notices a pattern: Students complain "there's nowhere good to eat after 8 PM" and foot traffic drops. The manager says: "We need marketing—let's post more on social media." They increase posting, run a giveaway, and print flyers.

**Result:** Almost no change.

**What happened?** They used *tactics* without a clear *strategy*. They increased visibility, but they didn't improve value.

A better strategic approach would ask:

- Who are we trying to serve at night? (late-study students? athletes?)
- What do they value most at that time? (speed? price? comfort?)
- What alternatives are they choosing instead? (delivery, vending machines)

**A strategy statement could look like:**

"Target students studying late and position our location as the fast, warm, affordable late-night option with a predictable menu and a 5-minute pickup experience."

### 3) Competitive advantage: why customers pick you

A competitive advantage is the specific reason customers choose you over alternatives. It's not "we're good." It's **what you're better at** (or what you make easier) in a way customers actually care about.

Common categories include:

- **Convenience** (fast, easy, close, simple)
- **Price/Value** (best deal, bundles, loyalty rewards)
- **Quality/Performance** (works better, tastes better, lasts longer)
- **Identity/Meaning** (fits lifestyle, values, community)
- **Experience** (friendly, smooth, predictable, low-stress)

### 4) Trade-offs: strategy forces you to say "no"

Good strategy usually means you choose a primary target customer, focus on the value they care about most, and stop trying to please everyone equally. If a business tries to be the cheapest AND highest quality, it typically becomes confusing, expensive, or inconsistent.

## Part B: The Marketing Environment

Marketing decisions are shaped by forces outside a business's control. The environment affects what customers want, what they can afford, what they trust, and what competitors exist. Think of the environment as the "weather" around your business. You can't control it, but you must plan for it.

### 1) Social + cultural forces

These include lifestyle shifts (wellness, convenience), changing expectations (inclusion, sustainability), and peer influence.

## Mini Case: "The Protein Trend"

A campus snack shop sees students increasingly asking for high-protein options. This is a **social/cultural shift** toward wellness. A strong response isn't only promotion; it may include adding product options that match the trend or clearer labeling to reduce effort cost.

## 2) Technology forces

Technology changes how people discover products, how they buy, and what speed and convenience they expect.

## Mini Case: Mobile ordering becomes "normal"

When customers get used to ordering ahead, waiting in line becomes a bigger "cost." If a competitor offers easy ordering and you don't, your value drops—even if your product is good. **Key idea:** convenience is not a feature. It's value.

## 3) Economic forces

Economic conditions influence whether customers buy extras, how price-sensitive they become, and what feels "worth it."

## Story: "Same product, different economy"

When budgets feel tight, students buy fewer add-ons and switch to cheaper alternatives. Marketing responses might include "best value" bundles or messaging that emphasizes practicality and savings.

## 4) Legal + ethical forces

These include privacy expectations, truth-in-advertising rules, and health claims. Ethical marketing supports long-term success and trust.

## 5) Competitive forces (direct vs indirect)

**Direct competitors** are in the same category (coffee shop vs. coffee shop). **Indirect competitors** offer a different solution to the same problem (coffee shop vs. energy drinks vs. "make coffee at home").

## Quick Check

Pick a business you know and list:

- One social trend impacting it

- One technology trend impacting it
- One economic factor impacting it
- One competitor (direct or indirect)

## Part C: SWOT Analysis (and Turning It into Strategy)



SWOT helps you organize what you know so you can make a smart decision.

- **Strengths:** Internal advantages (you control)
- **Weaknesses:** Internal limits (you control)
- **Opportunities:** External trends you can benefit from
- **Threats:** External risks that can hurt you

**The #1 mistake:** Mixing internal and external. Quick rule: If your organization could change it quickly → likely internal. If it's happening "out there" (trends, economy, competitors) → external.

### The Local Pizza Shop vs. a New Competitor

The pizza shop has been on the edge of campus for years. The owner, Marco, takes pride in quality. Reviews are glowing: "Best pizza near campus." But delivery orders are slipping. A new competitor, **SliceDash**, highlights: "Delivered in 25 minutes," "Track your order live," and "One tap to reorder."

Even if Marco's pizza tastes better, students are choosing **convenience and certainty**. The problem isn't awareness. The issue is that the definition of value is changing in the environment.

# SWOT Example: Marco's Pizza Shop

## Strengths (Internal)

- Strong reviews and reputation
- High product quality
- Loyal repeat customers

## Weaknesses (Internal)

- Slow delivery times
- Outdated ordering process (phone calls)
- Inconsistent peak-hour staffing

## Opportunities (External)

- Increased demand for late-night food
- Students using mobile ordering more
- Partnerships with student orgs

## Threats (External)

- Competitor discounts and speed
- Delivery apps increasing expectations
- Students switching to "good enough + fast"

## Turning SWOT into strategy

A strong recommendation connects the dots: uses a strength, captures an opportunity, and fixes a weakness or reduces a threat.

### Model recommendation for Marco:

"Target late-night student groups and position the shop as the best-tasting, most reliable late-night pizza by adding a simplified online ordering option, creating a limited late-night menu for speed, and bundling group deals to compete with discount-driven rivals."

## Mini Case Practice: The Tutoring Center That Students Can't Find

The campus tutoring center works, but students don't know it exists until they are failing. A student, Jasmine, searches YouTube when she fails a quiz because the tutoring website is confusing and appointments are hard to book.

The tutoring center isn't just competing with other tutors. It's competing on **convenience, clarity, and confidence** against alternatives like YouTube and AI tools.

## Your Task (Apply SWOT → Strategy)

Using the Tutoring Center story, draft the following:

1. **Strength (internal):** What does the tutoring center do well?
2. **Weakness (internal):** What internal barrier prevents use?
3. **Opportunity (external):** What external trend could they use?
4. **Threat (external):** What external alternative is pulling students away?
5. **Strategy Recommendation:** Write one realistic strategy that identifies a target, increases value, and reduces friction.

## Quiz Prep

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You should be ready to:

- Define marketing strategy and explain how it differs from tactics.
- Identify the five forces in the marketing environment with real examples.
- Complete a SWOT analysis for a real business scenario.
- Turn SWOT findings into a clear strategy recommendation.
- Explain the difference between direct and indirect competitors.