

**Marketing Management II**  
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**Lecture – W1-L6**  
**Entrepreneurial Marketing**

Hello welcome to this last session of week one on Marketing Management part II. I have here my colleague professor Shashi Shekar Mishra hello and I am Jayanta Chatterjee from IIT, Kanpur. Both of us are from IIT, Kanpur. And today session, as we had indicated in the last discussion will be on entrepreneurial marketing. We are discussing new products in the earlier sessions. We looked at the management of new products marketing issues of new products with in a large organization and we looked at various ways these occur.

But today we will look at some interesting opportunities, ideas, conversion to new products, successful new products and such issues. Some of these concepts, that we would discuss today, tomorrow may apply to all new product management cases. But particularly they are relevant for an entrepreneur. Now we start with this, the concepts related to recognizing opportunities.

Now fundamentally an opportunity is a favorable set of circumstances that create a possibility for a new product, new services and ultimately a new business. Now entrepreneurs are usually very creative, they have lot of new sparks these sparks come from recognition of opportunities. Now this recognition of opportunities happens in different way. But first of all, an opportunity to be considered for further progress must have these four essential qualities which we see on the screen.

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Namely, they must be attractive from a business perspective, attractive from a buyer's desirability perspective, attractive from commercial perspective, attractive from even a technical concept utilization perspective. Yes, it must be timely so that it is distinctive, obviously nobody is interested in an obsolete idea. I just would like to add something is that when we say something attractive in terms of the opportunity, it is the way you look at the particular situation.

Because something what might not be attractive to others could be an opportunity for you. So, recession could be an opportunity correct to, commercial opportunity, a technical opportunity to some other people. So, people talking about environmental degradation because of the conventional energy sources. This is a technological opportunity for alternative energy sources absolutely.

So, now obviously an opportunity which is good for conversion into a new product idea must also be durable that means it's not a transient idea that it is okay for the next six months. But after that its relevance will be gone that is another test that we must apply. And lastly, we are looking in this course at such opportunities which are anchored in a product or a service or ultimately in the business model, That will add value for the buyer as well as for the user and ultimately therefore for the organization

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## First Approach: Observing Trends

1 of 2

- Observing Trends
  - Trends create opportunities for entrepreneurs to pursue.
  - The most important trends are:
    - Economic forces.
    - Social forces.
    - Technological advances.
    - Political action and regulatory change.
  - It's important to be aware of changes in these areas.

Three ways we can identify a good opportunity one will be by observing trends you know the trends would coming from trends. It could be coming from trend of economic forces social forces technology advances as well as political action related. For example, as you rightly said just now those economic forces that means, if economy is in a downturn that actually if people have reluctance to buy stuff.

If people are very price sensitive that can create opportunities for a new class of good functionality low cost products. Here in fact certain countries like Japan Korea have created

their economic miracle by focusing on this concept of low cost high utility set of products. The other thing is social forces you know the consumer consciousness.

For example, right now there are social forces working in favor of healthy food or beverage or you know anti obesity different activates and therefore such social forces consciousness can shape and new opportunities. For new types of food, new types of beverages, new types of restaurants and new types of services like gym or Arabic studio or yoga studio and so on. So, both new products new services opportunities can come to these trends and technology advances.

Of course, you know more advances in semiconductor technology more advances in transmission or communication technologies create new devices whether that be a smart phone or new type of tablet and so on, so forth and so when we talk about economic forces. I just would like to add something like what might be a good economic what might be a good option in a good economic time as an investment like you like to invest in the stock, when the stocks are moving on the upward side might not be good option in rescission.

So that gives an opportunity for alternative investments to be probably to attract more to the customers that's an example another example of economic forces. so social forces as you have already said health related thing and social consciousness about the environment is becoming very very early absolutely and that also relates to the environment is also relates to the fourth point.

Which is political actions regulatory changes say, for example now with this political action for cleaning up Ganga or our other rivers like Yamuna and so on or different types of regulatory changes with respect to what can we discharged into public water system or what can we discharge from the factory as effluent. All that will create necessities of organizations which will also ultimately also create different types of opportunities for new business creation.

Because you can come up with new types of water treatment sewage treatment plants chemicals processes which can all lead to do good business. So, in environmental trends suggesting business or product opportunity gaps some of these are therefore now some are captured as whole in this particular model. So, where we are saying that economic forces can be related to disposable income or consumer spending pattern social forces are demographic

changes. What people think is in like we were talking about this health consciousness etc., or different types of cultural trends.

For example, it is now quite cultural really trendy to wear western clothes combined with ethnic clothes so you may like to wear kurta with denim trouser so that creates new types of product opportunities technological advances we discuss and political so this one picture sort of captures what we discuss about in the last few minutes.

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The slide is titled "Trend I: Economic Forces" and is divided into two main sections. The left section contains the text: "Economic trends help determine areas that are ripe for new startups and areas that startups should avoid." The right section is titled "Example of Economic Trend Creating a Favorable Opportunity" and contains two bullet points: "• A weak economy favors startups that help consumers save money." and "• An example is policybazaar.com, a company started to help consumers save money on insurance." A small date "7/18/2016" is visible in the bottom right corner of the slide.

So economic forces these are the detail points here that a weak economy favor start up that help consumer to save money. For example, policybazaar.com you know this is a company been started and it helps consumers to save money on insurance and that is the attractiveness of that particular so this is an example social forces social trends which is now discussed about

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## Trend 2: Social Forces

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Social trends alter how people and businesses behave and set their priorities. These trends provide opportunities for new businesses to accommodate the changes.

Examples of Social Trends

- Retirement of baby boomers.
- The increasing diversity of the workplace.
- Increasing interest in health, fitness, and wellness.
- Emphasis on alternative forms of energy.
- New forms of music and other types of entertainment.

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## Trend 3: Technological Advances

1 of 2

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Advances in technology frequently create business opportunities.

Examples of Entire Industries that have been created as the results of technological advances

- Computer industry
- Internet
- Biotechnology
- Digital photography

You know new types of clothing new types of apparels also health fitness wellness all these are therefore. So, in these four slides we have tried to therefore give examples in technology advance obviously computer internet biotechnology digital photography these are all examples.

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## Trend 3: Technological Advances

2 of 2

Once a technology is created, products often emerge to advance it.

### Example: H20Audio

An example is H20Audio, a company started by four former San Diego State University students, that makes waterproof housings for the Apple iPod.

And I just like to talk about little bit about this technological advance in the sense. When you see the fast space technological advance you will see the certain industry coming certain industry just been wiped out from the market. What you have been seen probably in this storage device or storage of relativity is now becoming extinct. So, all these new forms of storage cloud all they are coming on the other side.

the more probably conventional sources of storage devices or the storage sources they are going out of the market and these trends can be seen across the different industry sector so as we were discussing about it that what could be a probably be a bad time could be a opportunity for the others and in this slide. We have also highlighted that one good idea which takes hold and becomes a successful new product or service can spawn further new ideas and service as like here. We have given a simple example that the success of iphone created a number of innovative new ideas.

For example, here we are talking about this waterproof housings or protection for the iphone. So, this is a new type of approach and of course political action regulatory changes will related to current consciousness about safety about health about environment infect this she has now become a primary concern in many companies in the board meeting. This is the first agenda where we therefore look at opportunities as well as risks in terms of this she safety health environment and that creates again new product new business opportunities.

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## Second Approach: Solving a Problem

- Solving a Problem
  - Sometimes identifying opportunities simply involves noticing a problem and finding a way to solve it.
  - These problems can be pinpointed through observing trends and through more simple means, such as intuition, serendipity, or change.

Now solving a problem is another great source for opportunity recognition right now water is the crises. So, water is becoming a good portable water clean water healthy drinking water is becoming scarce and scarce as a result. There can be mean a many different new product coming into the market which for example uses the grey water that means say water that comes from our bath or our sink or our kitchen sink now that can be easily used for the say water in pond flower pots or for the flush.

So, as a result new types of plumbing equipment new types of products that can use this lesser quality water for less sensitive functions will create opportunities the many milk over production in some cases can create new products that in a way takes care of the parish ability and creates new types of long surviving or long duration of milk products there are new types of ice creams that are coming which melt slower or new types of transportation equipment are coming which allows refrigerated supply chain management for a perishable products.

So, these are all things that come out of a problem is when you have started talking about this water this I mean solving a problem and then you started talking about water crisis no one has to understand if some of whether I would have understood what you were talking about the problem can be approach from the multiple perspective actually so while you can think of saving the reutilizing the water you are consuming.

So, you are basically using the same water again and again in multiple purposes. So, you are minimizing the wastage there then another way is like you are also creating awareness among



the people that is another approach. so that the water consumption goes down and then there that again is a very important role in marketing which is the marketing of an idea communication is extremely important in you see that the entire communication models comes in to the picture.

The third thing the third approach could be like thinking about this planet and then thinking about approaches like planting trees all that and so that even in the trees basically you grow trees which require lesser water. So, there are so many different approaches for the same problem and they could be a each one could be lead to a good business opportunity also absolutely so this people consciousness and planet consciousness that is social consciousness and environmental consciousness are definitely very good sources for new ideas.

New opportunities in the current environment and many of these will be lead to very sustainable businesses in the time to come. If you now create a business based on a new product idea which utilizes alternative energy sources say solar or wind and so on and that has a potential which has a long run potential and then of course this is which is been mentioned right from the time of peter drucker that entrepreneur often recognize opportunities by sensing a gap in the market place.

So that gap could be looking at people who are not well served like for example now there are many senior citizens across the world even in a country like india which is an emerging economy. We have many senior citizens who have a sufficient disposable income. So, they are looking for a different kind of service. They are not necessarily looking for another t-shirt or a car accessory or you know more household stuff.

Because they had that all of that but they are looking for experiential services. They are looking for emotional services or services leading to emotional satisfaction. So very interesting new business ideas are generated out of that whether that is a portable personal blood pressure measuring product easier to handle or it is a mobility related product like a personal wheelchair that can be operated at low cost or service

Which actually allows senior citizens to be in constant touch with their near and dear ones spread all over the world so the gap recognition in the market place that means a between two classes of products different segments already served you reorganize a particular segment not very well served reorganize a product feature which can create a new I mean for example some time back people were creating a mobile phone which had larger keypads.

But now of course with smart phones since the keypad itself is programmable so you don't need to create a separate type of keyboard that same idea has now been transported from hardware into software. So, by looking at opportunities of gaps we can definitely find like here we have given an example this is by examining a market segment not in well served or emerging market segment which is more relative to more personalization.

See worldwide now these are nature trends in new product development basically portability personalization and increasing mini acceleration. Now we will discuss on later when we will discuss some more examples here we have talked about this company which recognized the guitars are just guitars but just like so women our teen age girls they may need their guitars in you know may be looking more fashionable different colors and we have seen in India.

For example, you know famous film stars promoting laptops which are primarily meant for young lady executives with offering different types of colors for the casing or the light weight or that it can go into a ladies' handbag and so on and so forth so recognizing demographic gaps opportunities to serve those gap demographics or recognizing variance in products can lead to different types of implemental and sometimes radical introduction.

So, for example this people who suffer from cerebral palsy or autism or different other kinds of physical challenge for them different kind of mobility equipment that can be developed some of them are very radical they are utilizing and different kinds of energy sources which allow them to be much lighter much more portable and so on. So, I think that tells us that opportunity is sources recognition of opportunities is sources for new product ideas.

And we will in the next session discuss how different opportunities can be classified and how it can actually give priorities for our as an entrepreneur for a particular recognition to be converted into a new product or a new service idea. So, this idea opportunity recognition to ideas screening will be our theme for our next session. So, we will stop here today and then when we will meet in the next session. We will talk about the ways how to screen the new product ideas Thank you very much Thanks.