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B.Com Honours

Semester I

Calicut University

Entrepreneurial Marketing

Course Code: COM1MN102 • Module 3 Notes

1. Modern Marketing Strategies: Concept and Pricing Models

Modern marketing strategies represent a departure from traditional mass advertising, focusing instead on agility, personalization, and data-driven execution. Entrepreneurs must select strategies that maximize impact while minimizing cash burn. This module covers the core concepts and features of successful marketing strategies, detailed pricing models, low-cost marketing approaches (guerrilla, content, agile), and relational tactics like experiential, referral, and influencer marketing.

Concept and Significance of Marketing Strategies

A marketing strategy is a long-term, forward-looking plan that outlines how an organization will reach its target customers and convert them into loyal buyers. It is significant because it aligns product features with customer desires, optimizes the allocation of scarce marketing capital, anticipates competitor reactions, and builds a sustainable competitive advantage.

Features of a Successful Marketing Strategy

- **Goal-Oriented:** Aligned with the overall business objectives and defined by clear, measurable KPIs.
- **Customer-Centric:** Focused on solving real customer problems and creating superior value.
- **Adaptable (Flexible):** Capable of pivoting in response to technological shifts, regulatory updates, or competitor actions.
- **Integrated:** Ensuring that product, pricing, distribution, and promotional activities work together harmoniously.
- **Competitive-Oriented:** Based on a thorough understanding of competitor strengths and weaknesses, exploiting their vulnerabilities.

Pricing Models and Strategies for Startups

Pricing is a critical marketing decision that directly affects revenue, brand perception, and market share. Startups utilize several models:

Pricing Model	Description	When to Use	Advantage / Disadvantage
Cost-Plus Pricing	Adding a standard percentage markup to the cost of producing the product.	Common in manufacturing and retail with stable production costs.	Simple to calculate / Ignores customer willingness to pay and competitor pricing.
Value-Based Pricing	Setting prices based on the customer's perceived value of the product rather than production costs.	SaaS platforms, luxury items, and highly differentiated products.	Maximizes profit margins / Requires deep customer research and validation.
Penetration Pricing	Setting a very low initial price to attract buyers and capture market share quickly.	Entering highly competitive markets with price-sensitive consumers.	Builds volume rapidly / Low profit margins; difficult to raise prices later.
Skimming Pricing	Setting a high initial price and gradually lowering it as competitors enter.	Introducing highly innovative, tech-heavy products.	Recovers R&D costs quickly / Limits initial sales volume; attracts competitors.
Dynamic Pricing	Adjusting prices in real-time based on demand, supply, and customer behavior.	Airlines, ride-hailing services, and e-commerce platforms.	Optimizes revenue per transaction / Can cause customer frustration if perceived as unfair.

2. Low-Cost and Agile Marketing Tactics

Start-ups cannot compete with corporate advertising budgets. They must utilize creative, low-cost marketing approaches to generate buzz and validate models.

Guerrilla Marketing

Guerrilla marketing is an unconventional, low-cost promotional strategy designed to generate maximum brand exposure and word-of-mouth buzz. It relies on high energy, creativity, and imagination rather than large budgets. Examples include flash mobs, interactive street

installations, ambient advertisements, and viral social media challenges that catch consumers by surprise in their daily environments.

Content Marketing

Content marketing is the strategic creation and distribution of valuable, relevant, and consistent content (such as blog posts, informative videos, whitepapers, podcasts, and infographics) to attract and engage a clearly defined target audience. Unlike direct advertising, content marketing focus is on education and building trust. Over time, it establishes the startup as an industry expert, driving organic traffic and inbound leads at a low cost.

Partnerships and Collaborations

Startups can leverage the audience and credibility of established brands through co-marketing partnerships, joint webinars, cross-promotions, or bundled product offerings. This allows the startup to acquire customers at a fraction of the traditional cost by sharing promotional expenses.

Agile Marketing

Agile marketing is an iterative approach to project management in marketing departments. Instead of designing a rigid, annual marketing campaign, agile teams run small-scale marketing experiments, measure data daily, analyze performance, and pivot or scale campaigns rapidly based on consumer behavior, improving efficiency and reducing wasted spend.

3. Experiential, Referral, and Influencer Marketing

Building strong customer relationships and leveraging social proof are critical for startup brand equity.

Experiential Marketing

Experiential marketing (or engagement marketing) is a strategy that invites consumers to actively interact with a brand in a physical or immersive environment. Rather than just presenting

product benefits, it focuses on creating memorable personal experiences (e.g., pop-up stores, product testing zones, interactive VR tours) that drive emotional brand loyalty and social sharing.

Referral Marketing

Referral marketing is a systematic method of promoting products or services to new customers through existing customers (word-of-mouth). Startups design referral loops by offering incentives (e.g., cash rewards, discounts, free storage) to both the referrer and the referee (e.g., Dropbox's famous referral program giving free storage space), turning satisfied users into active acquisition channels.

Influencer Marketing

Influencer marketing involves collaborating with individuals who have established credibility and social media followings to promote products. For startups, working with **micro-influencers** (10,000 to 50,000 followers) and **nano-influencers** (under 10,000 followers) is highly effective. These influencers have higher engagement rates and lower fees compared to celebrities, providing highly authentic recommendations to niche audiences.

Data-Driven Decision-Making in Marketing

Modern marketing relies on tracking key metrics to optimize campaigns:

- **Customer Acquisition Cost (CAC):** The total marketing spend divided by the number of new customers acquired.
- **Customer Lifetime Value (LTV):** The total revenue a business can expect to earn from a single customer over their relationship. *A healthy startup maintains an LTV:CAC ratio of at least 3:1.*
- **Churn Rate:** The percentage of customers who stop using the startup's product or service over a given period.

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