

# principles of Entrepreneurship

## >>>> 8. Marketing Is Selling

**M**arketing is often defined as all the activities involved in the transfer of goods from the producer to the consumer, including advertising, shipping, storing, and selling. For a new business, however, marketing means selling. Without paying customers to buy the goods or services, all the entrepreneur's plans and strategies will undoubtedly fail.

How does a new business get orders? Before launching the business, the entrepreneur should research the target market and analyze competitive products. "Most business sectors have specific marketing strategies that work best for them and have already been put into practice," entrepreneur Phil Holland said. In 1970, Holland founded Yum Yum Donut Shops, Inc., which grew into the largest chain of privately owned doughnut shops in the United States. He suggests analyzing competitors' successful selling methods, pricing, and advertising.

An entrepreneur can also develop a file of potential customers, for example, by collecting names or mailing lists from local churches, schools, and community groups or other organizations. This file can be used later for direct mailings—even for invitations to the opening of the new business.

After the new firm is launched, its owners need to get information about their product or service to as many potential customers as possible—efficiently, effectively, and within the constraints of a budget.

The most effective salesperson in a new venture is often the head of the business. People will almost always take a call from the "president" of a firm. This is the person with the vision, the one who knows the advantages of the new venture and who can make quick decisions. Many famous entrepreneurs, such as Bill Gates at Microsoft, have been gifted at selling their products.

Company-employed sales people can be effective for a new venture, particularly one aimed at a fairly narrow market. Direct sales conducted by mail order or on the Internet are less expensive options that can be equally successful.

External channels also can be used. Intermediaries, such as agents or distributors, can be hired to market a product or service. Such individuals must be treated fairly and paid promptly. Some analysts advise treating external representatives like insiders and offering them generous bonuses so that the product or service stands out among the many they represent.

Advertising and promotion are essential marketing tools. Newspaper, magazine, television, and radio advertisements are effective for reaching large numbers of consumers. A less expensive option is printing fliers, which can be mailed to potential customers, handed out door to door, or displayed in businesses that permit it. New companies can also compose new product releases, which trade magazines usually publish without charge.

It is important to be listed in local telephone directories that group similar businesses under a single heading, such as the Yellow Pages in the United States. It is also useful to be listed on Internet search engines such as Google or Yahoo, which are used by consumers for locating local businesses. These often link to a company's Web site, thereby communicating more information.

Publicity is also an extremely valuable way to promote a new product or service. New firms should send press releases to media outlets. A local newspaper might publish a feature about the startup. A TV or radio station might interview its owners. This can be very effective in generating sales, and it's free!