Unit 2:

Entrepreneurial Practice

Theme 2.3.

Market, Competition, Consumption and Branding in CCIs

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This material is a part of the training content for the syllabus "Management and Entrepreneurship in Cultural and Creative Industries" for professionals in arts and humanities (A&H) containing 5 themes in total. It has been developed within the Erasmus+ Strategic Partnership "*FENICE - Fostering Entrepreneurship and Innovation in Cultural and Creative Industries through Interdisciplinary Education*".

The training contents at a glance:

FENICE Programm

Unit 1: Understanding Entrepreneurship in the CCIs
Theme 1.1. Creativity, Innovation and Cross-Sectoral Collaborations. Intellectual Property.
Theme 1.2. Entrepreneurship, Management and Leadership in the CCIs
Unit 2: Entrepreneurial Practice – Modelling a CCI Enterprise
Theme 2.1: Designing a business for the CCIs: preparing a business plan and pitching business ideas
Theme 2.2: Towards value: Economic, Market and Cultural valuation of products and services in the CCIs.
Theme 2.3: Market, Competition, Consumption and Branding in CCIs

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Content

About the Module

Training description

Within this theme, the relevance of developing effective competitive strategies in the CCI's business context are discussed. Pertinent topics such as the definition of target markets, customer acquisition, and the communication of the business proposition as a means to set out a business' competitive advantage in relation to competitors, are addressed. Students are also encouraged to discuss and reflect upon building a customer base and competition in the CCIs, along with its strengths and weaknesses, hence being able to outline specific and impactful marketing and sales strategies. An overview on brand management, based on tangible and intangible brand values, and on the application of branding strategies to the CCIs, boosted by emerging technologies and communication strategies such as storytelling, is offered. Special emphasis is placed on the potential of Digital Marketing in reaching a global marketplace in a more cost-effective and measurable way, in building two-way communication with the CCIs audiences, and in increasing brand awareness.

Objectives of this training module

The goals for this module, are:

- To improve the entrepreneurial and managerial skills and competencies that are relevant to the CCIs
- To build trainees' capacity in forming and working in cultural and creative teams, solidly anchored in economic realities and up-to-date cultural context
- To familiarize trainees with the main important aspects of self-employment in CCIs such as personal promotion in the on-line environment, organising artistic events and artistic research
- To promote the social change, accountability and innovation based on creativity
- To convince A&H professionals of the overall importance of teamwork under the coordination of professionals/specialists in business and economics (B&E) who are also trained in CCI activities and projects

Target groups

This module is designed for:

- Professionals with background in arts and humanities (A&H) who want to pursue self-employment or manage creative teams within their careers;
- Any artist and artist-to-be as it will provide a targeted insight in the entrepreneurial and management practices that define the modern creative and cultural business;

- Professionals of interdisciplinary areas.

Gained knowledge and skills after finishing this module

After having become familiar with this training module, you will:

- Interpret the key characteristics of the economy of the cultural and creative industries, the important challenges the industries face, such as technological, legal and economic – and the policies adopted to meet those challenges
- Create business models for creative business ventures, including strategic planning for entrepreneurship initiatives, innovative methods for generating funds, stakeholder management and development of partnerships, governance structures of creative enterprises, etc.
- Identify new opportunities within social and business problems and develop business solutions, while at the same time, securing revenue sources that achieving financial sustainability
- Work in interdisciplinary CCI teams
- Design artistic events (exhibitions, workshops, promotions, etc.) and online promotion campaigns

Training method

The course is based on the experiential learning model (ETL)[1] and the delivery of the training contents will follow the main stages, defined below. The instructors shall adapt the sequence and combination of the activities according to the specifics of the groups of learners:

1. Stage1.Motivation(Why?)

- Motivational video stories from real practice
- Group or paired discussions
- Subjective quizzes followed by self- or peer-assessment
- Virtual field trips (observing activities)
- Simple group projects (feedback from instructor and peers)

2. Stage 2. Expertise (What?)

- (Video) lecture – models, factual information, theoretical background

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[1] Kolb, David. (1984). Experiential Learning: Experience as the Source of Learning and Development.

- Reading (textbooks, magazines, articles, websites)
- Video demonstrations
- Independent research and application of theoretical models (simple quantitative or qualitative research questions)
- Objective tests (quizzes)

3. Stage 3. Coaching (How?)

- Case studies
- Problems for self-study
- Individual (written or oral) reports
- Reflective essays
- Problem solving virtual discussion boards

4. Stage 4. Evaluation (What if?)

- Subjective exams
- Short individual (or group) research projects
- Group or individual competition simulations (students run virtual business enterprise - analyzing particular market, and strategies for promotion, setting prices, identifying competitive advantages...)
- Student presentations of solutions to more challenging questions (providing an opportunity for learners to demonstrate own personal strengths and talents – incorporating music, arts, technical skills or expert knowledge...)
- Brainstorming, role-play, competitions, games

Training content

1 What is consumer behavior?

Kotler (2000) states that the area that studies how individuals, groups and organizations select, purchase, use and dispose of goods, services, ideas or experiences to satisfy their needs and desires.

Consumer behavior is generally considered a step by step process that that can be affected by influences that act in his/hers surroundings (environment). Consumer interaction caused by organizational strategy and government actions (politics, economics, etc.). For Mestre (2004), the starting point of the process is to recognize the need for something, that is, to be instigated to become a potential consumer. From there, the other stages begin:

a) Recognition: search for information (time and effort);
b) Identification of substitutes: beyond the brand in the consumer's mind;
c) Evaluation of alternatives: comparison by attributes;
d) Decision: the act of buying / acquiring;
e) Post-purchase behavior: evaluate your experience, feelings and satisfaction Products and / or services; and adjust your knowledge or evaluation identical

In this context, and to understand consumer needs, organizations should (Kotler, 2000):

- Identify segments where consumers have the same needs;
- Insert new products and/or services or reposition them;
- Develop marketing communication strategies and fulfill the benefits of products and/or services;
- Evaluate the strategies with respect to their effectiveness; and
- Ensure that such strategies do not mislead consumers or cause harm to society.

1.1 What about today's and tomorrow's consumers?

Gretzel, Fesenmaier and O'Leary (2006) identified three important moments that help to understand the present and future consumer behaviour. The first moment is Visualise consumers as users of the new ICTs (Information and Communication Technologies). This enables them to get all kinds of information and access to products and services, providing transparency while control over travel service providers is strengthened. To do this, it's important understand the five questions of ICTs:

1. Who uses the new ICTs?
2. What are the types of content and information used by new ICTs?
3. When are they used?
4. Where does the use of the new ICT take place?

5. Why have the new ICTs been used?

The second moment is when consumers act as co-producers of important experiences, because values and emotions are responses to consumption situations. Finally, in the third moment, the consumer is the storyteller. Telling stories about experiences to other people is important to transform various scattered sensory and cognitive information into a coherent unit, making the experience as memorable as possible. Understanding consumer behaviour with the help of these three stages, and the impact of the new ICTs, will help formulate strategies to gain a competitive advantage. One of those advantages could be obtained through the use of digital marketing.

Please do exercise 1: Importance of ICTs in consumer behavior

Tags for Unit 1: Consumer behavior

Consumer, behavior, ICTs

2 What is Digital Marketing? How it affects consumer behavior?

Digital marketing represents the application of the philosophy and concepts of marketing in the digital environment (Marketing 4.0). In this sense, digital marketing has not only the function of creating and articulating the best offer for your target audience, but also the selection of the most appropriate investments, whether in software or hardware, or even in other types of resources that allow better results to your digital channels (Ryan & Jones, 2013).

Digital marketing is equipped with several channels and marketing strategies that are naturally optimized for the digital version, i.e., there are specific tools to act online, but everything starts from the previously existing ideals, but in an "offline version". In this context, the Internet and technological devices provide a variety of tools capable of leveraging the growth process of a company, based on techniques entirely linked to digital marketing.

At the same time, digital marketing can also be understood as the art of exploring, creating and delivering value to people through the digital, satisfying their needs or desires, and ensuring a high ROI (Return Of Investment) for brands (Ryan & Jones, 2013). This allows the directions of the adopted strategy to be corrected/optimized easily, with little time and limited resources.

2.1 However, what is content marketing? And where does it fit?

Historically, advertising is based on creating content for people. However, the evolution of the digital domain has been forcing brands to adapt their content and strategies to this new reality. Content marketing aims to strengthen the ties between the consumer and the brands that go beyond the merely commercial condition, becoming emotional.

Content Marketing is a marketing process aimed at creating and distributing relevant and valuable content on a consistent basis in order to attract and retain a target segment, and consequently make a profit through their participation (Ryan & Jones, 2013).

Despite the great importance that content marketing has gained in the last decade, especially in the context of digital marketing, the essence of this process goes back to the first printed publication and marketing strategies focused on product communication as tools to serve the sale.

Behaviour and consumer relations have been changing. Younger generations are much more interested in how brands participate in their lives and the impact each has on society, rather than the characteristics of the products themselves. Therefore, the digital content developed as part of its process can take many formats, including blogs, articles, videos, infographics,

social media posts, eBooks, slideshows, webinars, podcasts, news, whitepapers, microsites and virtual conferences (Lieb, 2012).

This makes us consider that this reality represents the opposite of product marketing, which is developed through communication focused essentially on the benefits of a brand's products and/or services, with the aim of driving purchase.

Simultaneously, Lieb (2012) reinforces the potential of content marketing as an inbound marketing tool by stating that "content is the bait. It is that which attracts attention and generates engagement with consumers. It's part of a contract: companies provide content, and consumers reciprocate with their attention". Therefore, any strategic approach to content marketing will depend on well-structured processes and best practices that support its proper execution.

Ryan & Jones (2013) define three steps that structure any digital marketing and content marketing strategy: (1) know the business and the consumers, (2) know where you want to go and how you are going to get there, and (3) put the processes in place.

When you consider specifically the content marketing process, Rose & Pulizzi (2011) presents four distinct phases, which integrate cyclically and dependently:

1. **Create and manage** - the content production phase, in which the priority is to create and manage the brand's entire available content base;
2. **Optimize, aggregate, curate** - the selection and distribution phase, in which content has to be optimized and distributed is aggregated and filtered;
3. **Converse and listen** - the conversation with the audience phase, which aims to listen to users and recognize how they perceive and interact with distributed content; and,
4. **Measure and learn** - the phase of measuring the results obtained and learning from them, thus allowing rethinking and adapting the content strategy created.

2.2 How to achieve success in content marketing?

The success of content marketing is based on the search for personalization. Content marketing producers need to focus on producing content that is highly customisable and relevant to their segments. Thus, the current landscape of content marketing creates a kind of democratization of marketing, as any company, no matter how small, having a differentiating idea and communicating it consistently with relevant content, can dominate its industry (Ryan & Jones, 2013).

Content production can be internal or external to the company but the strategy must be thought out and defined internally. Therefore, it must be done by someone qualified, who knows how to work with several channels

Once produced, the distribution of the content must be done using appropriate distribution channels that are exclusive property of the brand, and not in channels external to it (e.g., third party blogs or YouTube channels). Concurrently, content should be distributed at strategic touch points, where the target segment is actively located, in order to attract their attention, and in turn, enhance the creation of a long-lasting relationship.

As for frequency, content marketing cannot be characterized by isolated marketing actions, but rather by a continuous and prolonged performance of actions over time, integrated into a structured strategy (Rose & Pulizzi, 2011).

Please do exercise 2: Content marketing process

Tags for Unit 2: Digital marketing, content marketing

Marketing, digital, content.

3 What is the relationship between Content Marketing and Branding?

It's relevant to consider that content shares similar objectives to brand values and audience(s) values: address concepts, arouse feelings, motivate actions that match potential consumers' desires, retain consumers' attention with sufficient pertinence so as to ensure their involvement and participation. Thus, a good content marketing strategy has the power to create a positive brand image, and as a consequence, attract, engage and retain the desired audience, thus allowing to develop privileged long-term relationships (Baltes, 2015).

Briefly, content marketing is a process that aids the communication of a brand's identity, and when carried out effectively, can position it in its desired context. Companies that exercise content marketing strategies privilege as a result the projection and recognition of their brands with the desired audience. According to Kee & Yazdanifard (2015), 84% of companies that exercise content marketing strategies do so because they want to work on brand awareness, being this one of the main objectives for its execution.

3.1 What is Branding?

Branding is endowing products and services with the power of a brand. A brand represents a name, term, sign, symbol or design, or a combination thereof intended to identify the products or services of a supplier or group of suppliers to differentiate them from those of other competitors. It presents tangible properties (related to the performance of the product) and intangible properties (related to what the brand represents) (Kotler & Keller, 2006).

Therefore, branding promotes the creation of mental structures to help consumers organize their knowledge about products and services in a way that makes their decision making more enlightened, generating value for the company at the same time. Table 1 shows some of the functions performed by brands and what are some of the characteristics of the world's strongest brands.

These advantages can provide them with equity, and brand equity is the added value attributed to products and services. This value can be reflected in the way consumers think, feel and act in relation to the brand, as well as in prices, market share and profitability that the brand provides to the company.

Table 1. Functions performed by brands and some of the characteristics of the world's strongest brands.

Functions performed by brands	Characteristics of the world's strongest brands
Simplifying the handling or tracking of products;	The brand stands out by offering the benefits that consumers really want;
Inventory organization and accounting records;	The brand stays relevant;
Offer legal protection as to the unique features or aspects of the product;	Pricing strategy is based on customer perceptions of value;
Name protected by a trademark;	The brand is appropriately positioned;
Processes protected by patents;	The brand is consistent;
Packaging protected by copyright;	The brand portfolio and hierarchy make sense;
Signaling a certain level of quality;	The brand uses and coordinates a full repertoire of activities to build brand equity;
Consumer loyalty;	Brand managers understand what the brand means to consumers;
	The brand receives adequate and frequent support;
	The company monitors sources of brand equity;

Source: own elaboration, based on Kotler & Keller (2006)

3.2 What about branding in the CCIs?

Social utilization communicates individual character and taste, whereas promoting and branding refine given implications in arrange to develop favoured conceptions for particular bunches of buyers. Brands in social economies and inventive businesses are vital social objects and have critical typical esteem (Chang, 2021).

In this regard, brand improvement acts as the generation of a social viewpoint that decides how customer recognition is saturated with typical messages carried by particular items or administrations (Peterson & Anand, 2004). The social generation writing has recognized showcasing as a middle person action that passes on imaginative and social substance to potential shoppers through extra and refined typical meaning (Schroeder, 2002).

Promoting exercises are necessarily to social commercialization, forming customer recognitions of the social and inventive substance through intercession inside the typical framework. Therefore, promoting and branding exercises empower intangible inventive substance to encourage producer-consumer interaction through openings to impact consumers' sensemaking of novel products.

The consumers' discernment of an inventive item or benefit is formed by their elucidation of meaning inside the inventive substance, which is an result of the complicated interaction between individuals' esteem, intrigued, fondness, involvement, conviction and their social setting. Showcasing and branding exercises make esteem by investing the social items or administrations with meaning. For illustration, modern or novel craftsmanship may fall flat commercially without the entrepreneurial revelation of qualities of intersubjective meaning, such as intriguing provenance, prevalent create- work or a momentous background (Chang, 2021).

Please do exercise 3: Importance of a strong brand

Tags for Unit 3: Branding

Branding, content marketing, CCIs.

Please do exercise 4: Quick checks!

Tags: Self-assessment

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