



CASE STUDY

**ADDRESSING BUILD INSTITUTE GRADUATES' NEED
FOR MARKETING ASSISTANCE**

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July 29, 2017

INTRODUCTION

Marketing is all about constantly listening and figuring out how to reach and **communicate** with various audiences. Most importantly, it is about learning how to deal with different types of people, gaining insight on how to be tactful. And **every job and every organization**, new or young, requires a certain amount of adaptability and communication skills.

Perhaps one of the most valuable aspects of learning to think and operate like a marketer, however, comes from gaining **insights in growth hacking** and coming up with scrappy, forward-thinking methodologies to solve everyday and work problems. Gaining these skills is also becoming more aware of an industry and market tendencies, which is specially desirable when making decisions focused on the bigger picture.

For Build Institute, the development and offer of some sort of marketing support is especially valuable since it **targets both business owners and skilled workers** that have gone through Build Institute. One idea is adopting an educational approach to this issue, through the development of a **Build Marketing Master Class**. Such classes would provide our graduates with transferable skills that could either help their businesses grow or assist them in communicating more effectively and making more informed decisions. In addition to education approaches, this report and proposal will discuss potential local and national partnerships that can help promote the work of Build entrepreneurs, in addition to analyzing the impact of a potential alumni directory.

For both Build graduates, regardless of their current entrepreneurial activity, and Build Institute's activity, having a means of better establishing the companies that were created or grew as a result of Build classes, either through classes or a directory and partnerships, is a highly desirable goal. Specifically, for the alumni who run their own businesses and those who have chosen another path by working with other organizations, marketing skills are an invaluable resource for those who want to make a difference and understand the 21st Century market.

TARGETED PARTNERSHIPS AND OPPORTUNITIES

According to April 2014 data from AYT Market Research, having a more personal service was the number 2 reason US internet users preferred small businesses to large companies, cited by 52.7%. In Detroit, specifically, according to the 2016 Detroit Reinvestment Index, a report launched in 2016 through the Kresgue survey, small metro Detroit businesses have been a main facilitator of Detroit's revitalization (93 percent of survey respondents affirmed so). Taking this information into consideration, along with the success stories originated by collaboration among Build graduates, encouraging union among small business owners seems to be a highly efficient way of promoting startup growth and allowing new ideas to flourish and become profitable.

With this information in mind, there are a couple specific strategies that could be highly beneficial to promoting business originated from Build Institute. Beyond the existing markets and expository

opportunities, such as Build Bazaar and Pilot, it could be beneficial to utilize this preference for small business to promote events that specifically promote local businesses, or to partner with organizations that have this vision.

Local First

The non-profit organization in Grand Rapids has as its main mission the lead economic development based on **supporting and promoting local businesses**. Focused in West Michigan, Local First has as its main actions the organization of events and the maintenance of a business directory.

The membership of Local First is free, and gives businesses the opportunity to use Local First branding in promotional materials, besides being listed in the online business directory and in the Local Living guide distributed by Local First. For Build, an additional partnership through Co-Marketing Opportunities would provide additional possibilities to promote Build graduates' businesses, maximizing the impact of both organizations.

Promotion of Food Businesses

Taking into consideration the recent growth in the Detroit food scene, and events such as the **2016 Dine Drink Detroit** and the **2017 Detroit Burger Battle**, it seems reasonable to look into potential partnerships that could help the almost **200 food businesses currently present in the alumni database**.

Notably, Local First helps communities and cities across West Michigan in promoting its Eat Local Challenge, a movement that aims to attract customers to local food businesses. On its Low Country edition, over 2000 people used the app developed by Local First to find and engage with local restaurants and shops, which creates an **annual economic impact of \$29,108,000**. The movement gained great traction through media efforts (notably blogs and local news websites), and further increased the trend of eating in local businesses. By bringing something similar to Detroit, Build could further contribute to expanding the Detroit food scene by creating this network of support, promotion and collaboration.

MARKETING COURSE

Taking into consideration the field of work of most Build Graduates, management and operations, it is suggested that the potential new class focuses on providing some marketing background to business owners, instead of fully enabling them to become full-time marketers. As a Marketing course for non-marketers, the main goal would be to develop skills and provide tools to enable the

course graduates to make more informed decisions related to outreach, publicity, communication, and branding.

It would be beneficial, additionally, to develop the course with a **strong emphasis on Entrepreneurial Marketing**, given the mission and values of Build Institute. Particularly, the material could provide some foundation to the use of marketing insights to find, exploit and evaluate different venture opportunities. Among the content possibilities, content marketing, growth hacking and consumer analysis stand out as viable and desirable options.

Although the standard for this potential course would be the in-person class, there are certainly other models that could achieve similar results.

a) Partner up with an online website that offers marketing classes

This option reduces the time Build Institute would have to direct to elaborating the class, and allows it to focus on the current course offerings. By partnering with existing and well established online services, Build also creates a precedent for future partnerships that might increase the reach and scope of its efforts, while reducing its direct involvement in it. Such easiness, however, does not come without its drawbacks.

According to the data collected from the 2017 Alumni Survey, however, the main reason people seek Build courses is the need for a supportive, collaborative environment in which they can explore and develop their business idea. By limiting the course to an online environment, or even by restricting part of the course to it, Build would perhaps not fully meet the public expectations.

Nevertheless, whether or not a potential marketing course is based on a partnership with already existing products available online, this sort of collaboration could only bring new possibilities to the future of Build Institute. Notably, organizations such as Coursera and EDx are constantly seeking new business partners who target communities in need of entrepreneurial and personal education. In February 2016, for example, EDx announced a partnership with Kiron, an educational institution focused on refugees, in which the former issued free verified certificates for specific Kiron courses. As EDx is already a well-established institution whose work is recognized across the industry, such partnership greatly increased the reach of Kiron's services and community efforts.

It is also important to consider the available online services and resources as a model and industry standard for marketing course offerings, which can and should be carefully analysed by Build Institute.

EdX

EdX is one of the three major players in the world of online courses in English, competing directly with the giants Udacity and Coursera. The organization currently boasts over 10

million students across the globe, and currently partners with many different types of organizations from all around the world – academic institutions (from large research universities to polytechnics and liberal arts colleges), non-profit institutions, and companies. Even if Build does not join this cohort of partners, there are many courses in the platform that might be of interest to Build graduates.

The University of British Columbia maintains a well-established and highly regarded Marketing course on EDx, titled Marketing for Non-Marketers. The course requires around **3 hours per week in a span of 6 weeks** to be completed, and is available to the general public free of charge and is currently self-paced (<https://www.edx.org/course/introduction-marketing-ubcx-marketing1x>).

Babson College, an institution recognized worldwide for its excellence in entrepreneurship education, also offers an online Marketing course focused on consumer acquisition and growth hacking, highly valuable skills for entrepreneurs. Just like UBC's course, It is also available for free and is self-paced (<https://www.edx.org/course/marketing-fundamentals-who-customer-babsonx-bpet-mkt-x-0>).

Coursera

Coursera is the worldwide leader in online course offerings, and, as it adopts a for-profit model, it currently only partners with colleges and universities. Regardless of this restrictive partnership policy, there are courses available on the platform that might serve as models for any potential Build Marketing courses, or even simply as potential recommendations for Build students.

The *Wharton School of Business*, the world's perhaps most well-regarded Business School has partnered with Coursera to provide its Introduction to Marketing course. Although not focused in marketing for entrepreneurs, the course explores three key concepts useful for any non-marketer: branding, customer centricity, and practical, go-to-market strategies. This course requires on average **4 hours per week, over 5 weeks**, and is also available as part of the Coursera paid membership online (<https://www.coursera.org/learn/wharton-marketing>).

Additionally, the European Institute of Innovation and Technology also offers its Marketing Strategy for Entrepreneurs course on the platform. This course is specifically a good model since it covers marketing and consumer outreach since the very first stages of a company, when there are few or no customers. This curriculum includes general basic marketing theories as well modern digital marketing issues like onboarding, conversion, and retention, experimental marketing and pivoting. It is targeted at an audience that already has previous business knowledge, which makes it a great model and recommendation for Build Institute. Just like any other course on Coursera, it is available

as part of the paid Coursera membership, and it is self-paced (<https://www.coursera.org/learn/marketing-strategy-entrepreneurs>).

Ed2go

Ed2go offers affordable online training options, many of them focused on small business owners. The courses available on Ed2go are different from most of the available MOOCs on other systems, as the courses are all self-paced, and many come from retail organizations such as Walmart and Home Depot. Their course on Small Business Marketing, notably, provides tools and insights necessary to reaching a larger audience and conquering the market with a smaller budget, something necessary for most startups. The course is based on building a market strategy step by step, and using free marketing resources and analytics to make informed decisions (<https://www.ed2go.com/online-courses/small-business-marketing-strategies-on-a-shoes-tring>).

Online Marketing Institute

Differently from all the solutions presented above, the Online Marketing Institute focuses specifically on providing online marketing courses, for a monthly fee. The courses offered on the platform vary in length and focus, with some of them being directed at small business owners (<https://www.onlinemarketinginstitute.org/>).

b) Build Marketing Master Class

This course would follow the model of the Finance Master Class already being offered by Build, and would allow the organization to have full control over the content, logistics and specific details of the course. Additionally, it addresses graduate's needs for a supportive and collaborative environment (Alumni Survey 2015, 2016, and 2017), by allowing a more personalized experience. For this model, it is still possible to partner with local and national organizations to provide a more specialized service, while keeping the personalized aspect of the experience.

Given the specific needs of the entrepreneurial public of Build Institute, it is natural that any new course offering related to marketing should approach the subject starting from a sales viewpoint, and gradually moving into a market expansion, positioning, and segmentation perspective. With the online offerings of the University of British Columbia and the Wharton School of Business as models, some of the contents that could be explored include, but are not limited to:

1. How marketing creates value
 - a. Brand mantra: elevator speech
 - b. Storytelling
2. Develop a basic **consumer segmentation** system - partially explored with Build Basics

- a. Important to find a market niche
 - b. Essential for expansion, not so much for ventures that are just beginning
3. How to **target** consumer segments
4. Segmentation and positioning
 - a. Brand positioning statement
 - b. Value proposition
5. Understand the basics of **consumer psychology** and decision making
 - a. What makes people prefer one product to another
 - b. Today: focus on price vs. focus on quality
 - c. Factors such as brand loyalty, proximity, and lifestyle
6. Build effective **communication** efforts with consumers
 - a. Branding - color, logo, fonts, slogan
 - b. Digital publicity - use of social media, web analytics
7. Basic **marketing metrics**
 - a. **Consumer insights and analytics**

In order to maximize the impact of the course, it would have to be offered ideally after the student has had some exposure to business in real life, and preferably **after having completed Build Basics**, Build Social, or any of the similar courses. Additionally, in order to avoid causing a significant spike in enrollment for one period of the year, it would be desirable to offer this class in a month with slightly lower enrollment rates.

Taking into consideration the alumni database, the period from June to December has a slightly lower number of graduates than the average month in the first semester of the year. With 22.2% of the total enrollment each, the **Summer and Fall** quarters seem to be a great fit for a new Marketing Master class. Additionally, as most of the graduates took a Build class in the Spring quarter, offering a class during the summer could allow the organization to market the course directly to those graduates.

Assuming that the demand for this course is determined by the number of Build graduates that are working on a project or business (70%, according to the 2017 Alumni Survey), and that would like

to see marketing assistance from Build (19.3%, according to the 2017 Alumni Survey). Here, **42 people per year** would potentially participate in Build's new marketing class. It is also important to keep in mind, that the average number of Build graduates grows every year, and a small percentage (4%) of graduates who don't own a business have also demonstrated interest in this service.

Additionally, the 399 Build graduates that currently own a business could also be interested in this class. 19.3% of these would be **76 people**.

Assuming an average of 16 people per class, and a total of 118 potential students, Build could be able to fill **7.4 classes in 2018**, assuming Build starts to offer this class in 2018.

The average cost of Build Basics is \$260 dollars. This marketing could be half the time and thus half the price, averaging at a cost of \$130 per student. In 2018, therefore, Build would be able to generate **\$15,340 in revenue** with this class.

Let's assume there are no fixed costs as Build already covers them with its other classes. The remaining costs would be the variable costs constituted by the average wage per class/hour of the facilitator. Facilitators are paid on average \$1100 for 8 sessions that are each 3h long. This gives an average **wage per hour of \$46**.

For our marketing class, there would be 4 sessions of 3h, and the total costs of wages would be **\$555 per class taught**. Assuming 7.6 classes per year, the total annual cost for the Marketing Master Class would be \$4,107, with a **profit of \$11,233** for 2018. In this scenario, the class would be already established, with no additional initial costs. For the first quarter this class is offered, the profit margin would be much lower due to the costs of creating the class content.

c) Online Master Class

A number of institutions that offer educational services has been beginning to offer some of the courses through online platforms, instead of giving them in person. In this model, the content would be created and recorded once, and then offered on a subscription basis. In order to encourage Build graduates to take this course, it could be desirable to offer them the product at discounted prices.

This model is notably beneficial since it reduces the costs associated with course offerings, while also enabling a quick expansion of Build's reach. As an example, new partnerships with local organizations could be developed as a result of this product, in which the employees of these organizations become users of Build's online platform. As an example, the online platform Udemy allows anyone to become an online course instructor (<https://www.udemy.com/smart-marketing-for-small-business-owners/>).

Although the initial cost of producing an online course is initially superior to the cost of providing an in-person course, it allows Build to reuse the same recording of the course across the years,

without the need for space allocation or personnel. According to the Chapman Alliance, "it requires an average of 79 hours" to produce one hour of moderate-level interactivity, here defined by any online course with "*content pages, text, graphics, perhaps simple audio, perhaps simple video, test question*". With the average hourly labor rate for Online Course Producers being around \$65 (data from *Elance*), the cost of producing a single hour of moderately interactive online educational content is estimated to be approximately \$5,135. This elevated initial cost, however, becomes smaller as the content is reused. Assuming a lifetime of 5 years of the course, which seems reasonable considering the content already available on platforms such as EdX and Coursera, and assuming that Build Institute would offer this course at least 4 times a year, the total individual cost of the course, for each of its editions, would be as low as \$256.75.

One big drawback of this model, however, is that it does not fully address the needs of Build graduates, according to recent data. According to the information gathered through the 2017 Alumni Survey, 39.1% of Build graduates took a Build class in the first place to have a supportive, collaborative environment, attributes usually related to in-person classes.

ALUMNI DIRECTORY

In order to centralize in one location the names and owners of businesses that originated from Build Institute, and as an expansion of the current spotlights of the 5-year Report, Build could develop an alumni directory. According to a 2010 study by Pew Internet & American Life Project, 78% of Internet users use the Internet to research suppliers and vendors. For small business owners, being listed online is especially valuable given the organizational need to conquer the market and acquire customers, which creates the opportunity for Build to develop its own alumni directory.

Beyond the expected benefits of showcasing the local businesses that were created and grew as a result of Build's work, the directory can also be used by aspiring entrepreneurs looking for some sort of mentorship or assistance in creating and establishing their businesses. As this is a need shared by 19.3% of Build graduates, by elaborating such tool, Build would also be fostering collaboration and potentially increasing communication among small business owners – all things that would further strengthen the Build network. Additionally, the directory could also be used as a validation tool to potential investors and partners, as a complement to the already existing annual reports and 5-year report.

RECOMMENDATIONS

Entrepreneurship is what moves the revitalization of the city of Detroit. Small business owners have more than ever contributed to the growth of the city, increasing commercial activity and empowering individuals across the neighborhoods. Even with the high success rates of Build

entrepreneurs (1 in 3 remain active since they graduated from Build), there are some key opportunities to increase the number of small businesses that come out of Build and go on to conquer the Detroit market.

Given Build's experience with Master Classes and expertise in developing business classes, it is recommended that Build consider developing an in-person Marketing Master Class, focused on marketing for non-marketers. Specifically, this would include potential partnerships with local organizations that have experience and marketing knowledge, and which might increase the prestige and legitimacy of this course. This path would further educate Build graduates to go on and take leadership roles and make informed decisions in their own companies or in other endeavors, besides providing a supportive environment to discuss consumer acquisition and growth hacking ideas.

In order to better demonstrate Build's impact and help its graduates in gaining recognition, it is also recommended that Build develop a business directory, primarily online. Specifically, it is necessary to investigate the current status of the business that came out of Build Institute, collecting information on their owners, customer base, and area of activity. Besides serving as a valuable asset of research for recent graduates, the directory could also allow the community to have a database of some of Detroit's most prominent small businesses.

Finally, as a long-term plan and goal for Build Institute, it would be desirable to further investigate the viability and effects of partnerships with other local organizations, such as Local First, and national institutions that provide services that fit with Build's efforts, such as EdX and Coursera. For Build, such partnerships could be valuable assets in increasing the name-brand of a Build entrepreneurship education, besides serving as outreach and indirect marketing efforts.

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