

Youtube video: Full Time

1. Which part of the story inspired you the most? Why?
2. What mistakes or setbacks did you notice? What can we learn from them?
3. If you were the protagonist in the video, what three things would you have done differently?
4. What three entrepreneurial lessons did you learn?

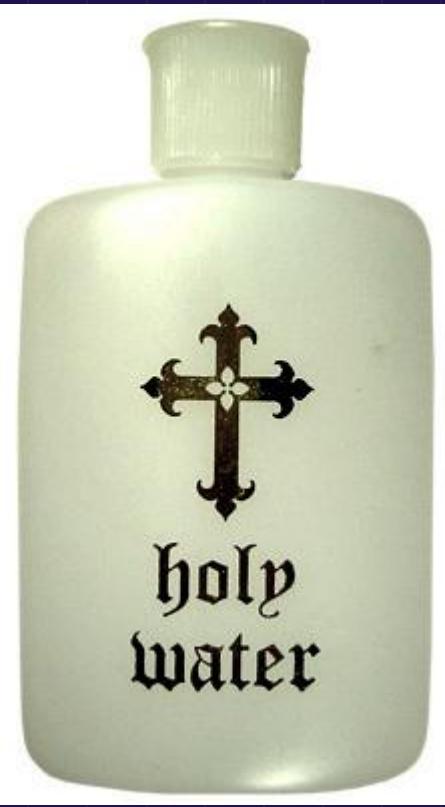




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Unit 6: Marketing Plan

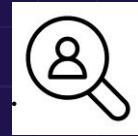
The best vision is insight

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Why
analyze
market?

Why analyze market?



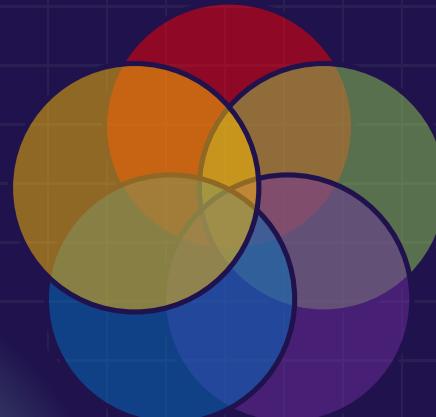
Understanding
needs of
customers



Optimizing
marketing
strategies



Staying
competitive



Identify
potential
opportunities

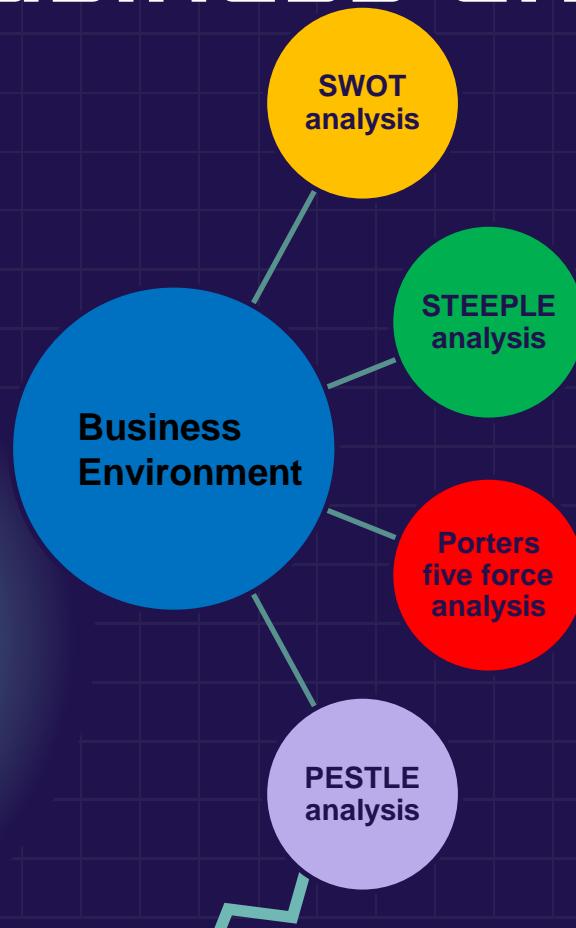


Business Opportunity

Minimize
risks



Business environment analysis



A business environment is a set of factors, such as technologies and financial resources, that have a direct effect on a company's/ business' operations.

Business managers and analysts often study this environment to determine potential changes and develop strategies to leverage those developments to improve operations

SWOT analysis

Strengths

What makes your service the top tool for addressing consumer needs?
What are your cutting-edge features, your novel capabilities that set your company apart.

Example: Reputation in marketplace. Expertise at partner level in HRM consultancy.

Weaknesses

What aspect of your company has room for growth?
What part of your business could be improved to strengthen your services?
What elements have prompted feedback?

Example: Shortage of consultants at operating level rather than partner level.
Unable to deal with multi-disciplinary assignments because of size or lack of ability.

Opportunities

What are consumers craving? What does your community need?
What skills, knowledge, and tools does your company have to extend to individuals, businesses, or organizations?

Example: Well established position with a well defined market niche. Identified market for consultancy in areas other than HRM.

Threats

What obstacles do you foresee challenging your company's success?
Which competitors have the potential to threaten your business?
Is your consumer market evolving in a way that poses a risk to your company's future?

Example: Large consultancies operating at a minor level. Other small consultancies looking to invade the marketplace.

STEEPLE analysis

Social

Outlook of the socio-economic environment of the market. Social factors have a direct effect on how marketers understand customers. Cultural aspects, population growth rate, age distribution, career attitudes.

Technological

The impact of technology on the product being introduced into a market. New ways related to production, distribution, or communication. R&D, automation, technology incentives, and the rate of technological change.

Economic

What impact can economic issues have on the organization. Included factors can be broken down into macroeconomic and microeconomic factors. Economic growth, exchange rates, inflation rate, and interest rates.

Environmental

Importance of raw materials scarcity, pollution, and carbon footprint regulations. Awareness of the potential impacts of climate change. Global warming, sustainable resources; ethical sourcing, global emergencies.

Political

How can government regulations and legal factors influence the organization. Organizations need to be able to respond to the changes accordingly. Tax policy, labor law, environmental law, trade restrictions, tariffs.

Legal

Overlaps political, but more specific. Trickier for international businesses. Discrimination, antitrust, employment, consumer protection, copyright, patent, health, safety laws, employment, resources, im/exports, taxation.

Ethical

Social values shaping business behavior. Ethical principles and moral or ethical issues that can be encountered. Fairtrade, slavery, child labor, corporate social responsibility.

Social

Demographics

Population growth

Age distribution

Technological

Technological growth

New innovation

Skilled resources

Economic

Economic growth

Exchange rates

Interest rates

Environmental

Weather

Climate change

Environmental policy

Political

Government policy

Taxation

Political stability

Legal

The court system

Employment law

Discrimination law

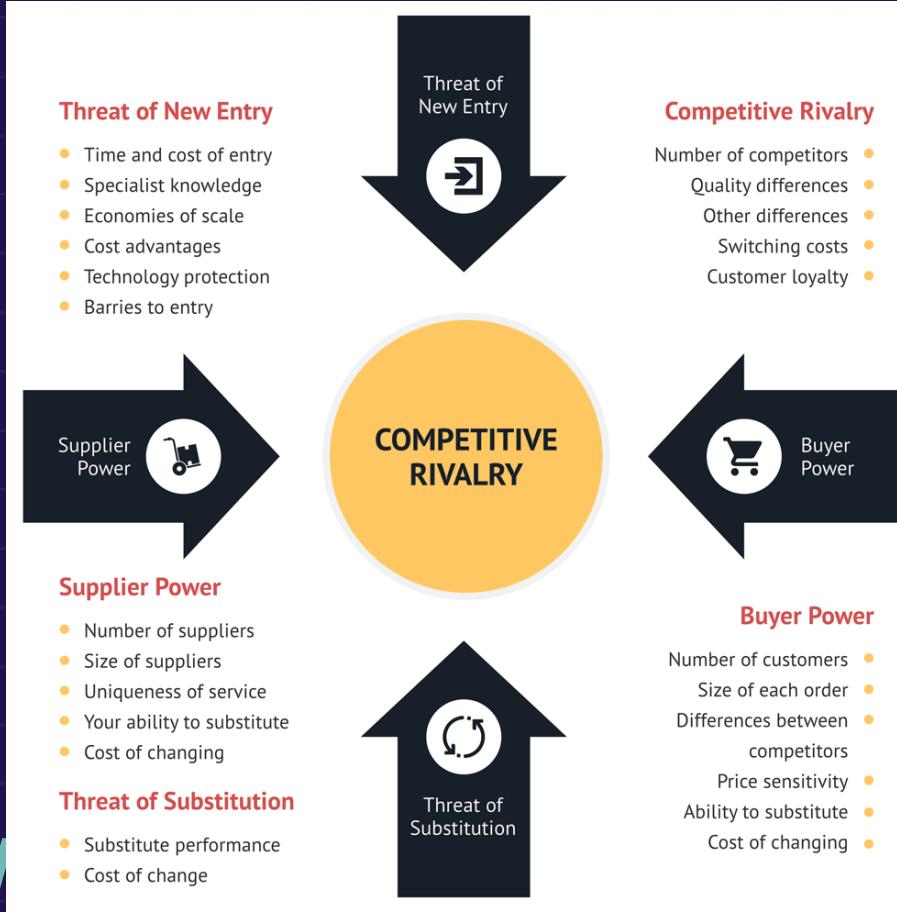
Ethical

Bribery

Intellectual property

Reputation

Porter's five force analysis



Market Research

- The process of determining the viability of a new service or product through research conducted directly with the potential customers.
- It allows a company to define its target market and get opinions and other feedback from consumers about their interest in a product or service

What customers want.

What needs aren't currently being met.

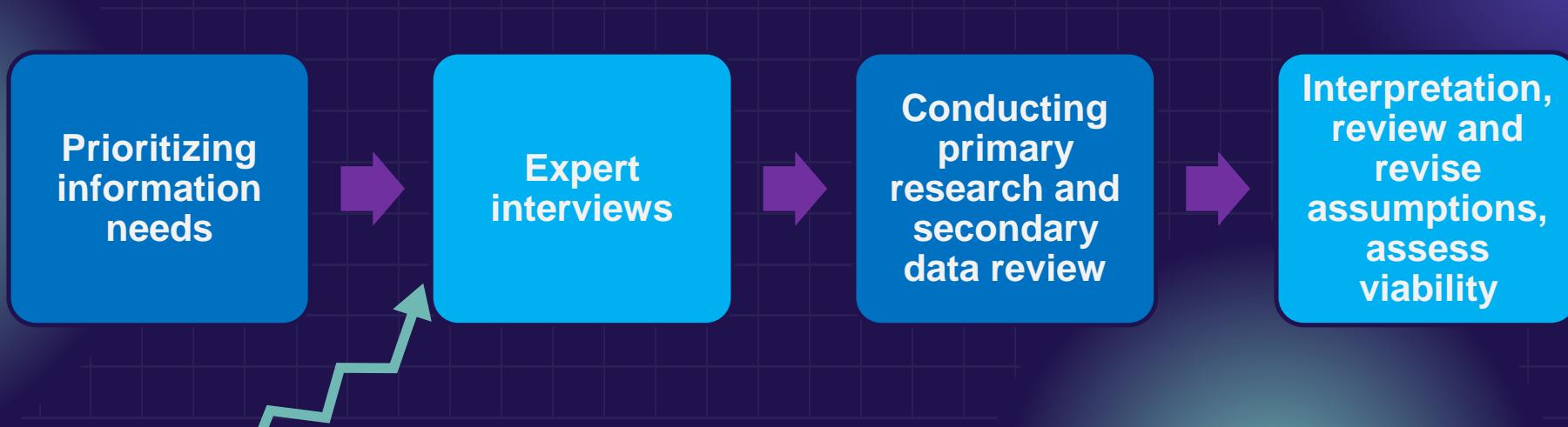
How much competition there will be.

What target market the business should aim at.

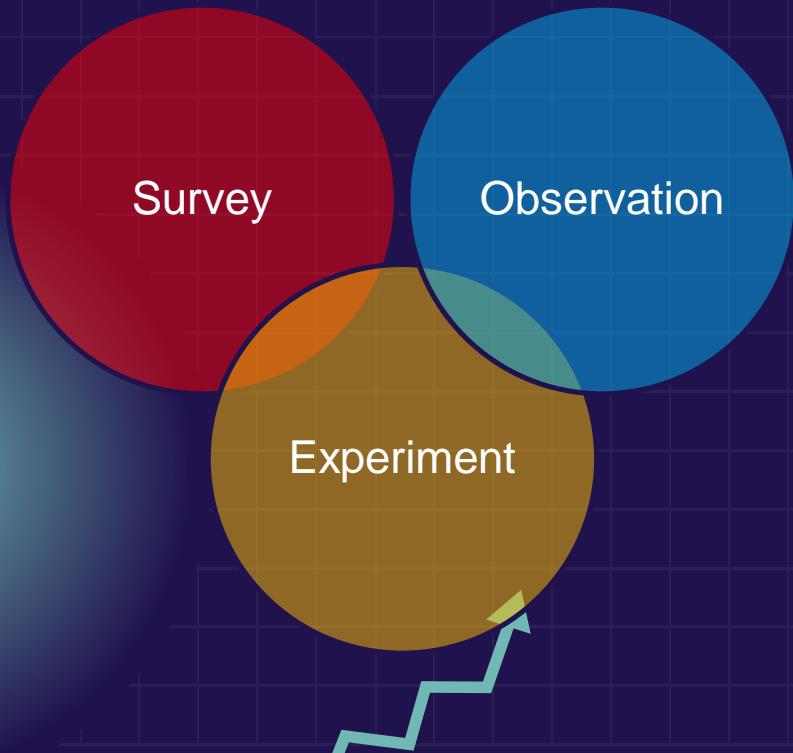
How much the business should charge for its product or service.

Market Research Procedure

- Market research process starts with prioritizing the information needed for the business or the project.
- Based on the information need, interviews/survey can be carried out
- This is followed by primary research and data review which gives way to interpretation on market viability



Popular research methods



Target Market

A target market is a group of customers with shared demographics who have been identified as most likely buyers

Target market can inform products specifications, packaging and distributions.
A new product must satisfy a need/solve a problem

Environmentally conscious vegetarians for vegetarian restaurants/foods

Science nerds for tech products

Outdoor enthusiasts for travel or trekking businesses.

4 Target Markets

Demographic

Belonging to a specific age group, income level, gender, occupation and education level

Geographic

Increasingly relevant in the era of globalization. Regional preferences needs to be considered.

Psychographic

Goes beyond basics of demographics to consider lifestyle, attitudes, interests and values.

Behavioral

New products may be introduced based on research into the proven appeal of the past similar products

Why is target market important?



Why target market is important?

Only few products are designed to appeal absolutely everyone

Identifying a target market allows businesses to focus onto **marketing efforts, resources, product development** and the **needs** of specific consumer groups.

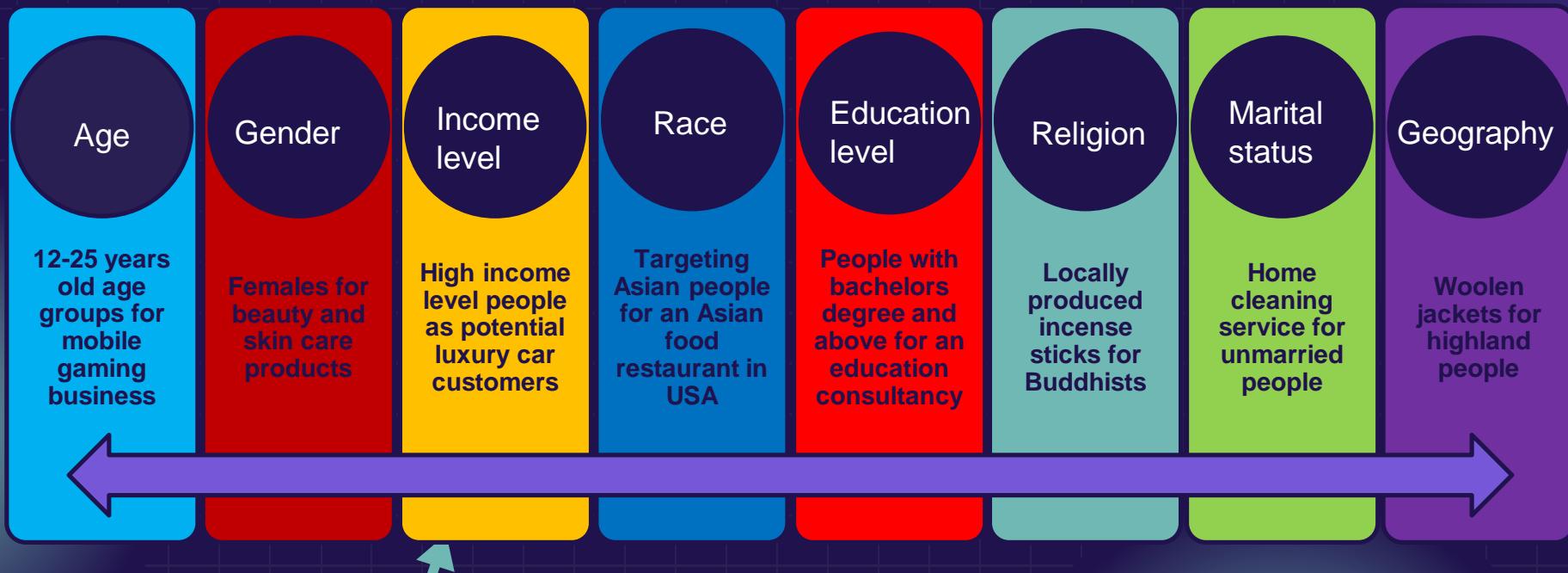
Helps optimize marketing budgets by avoiding wasteful spending on irrelevant audiences.

***Part of success of selling a good or services is knowing to whom it will appeal and who will ultimately buy it.



Market segments

Dividing a target market into segments means grouping the population according to the key characteristics that drive their spending decisions.

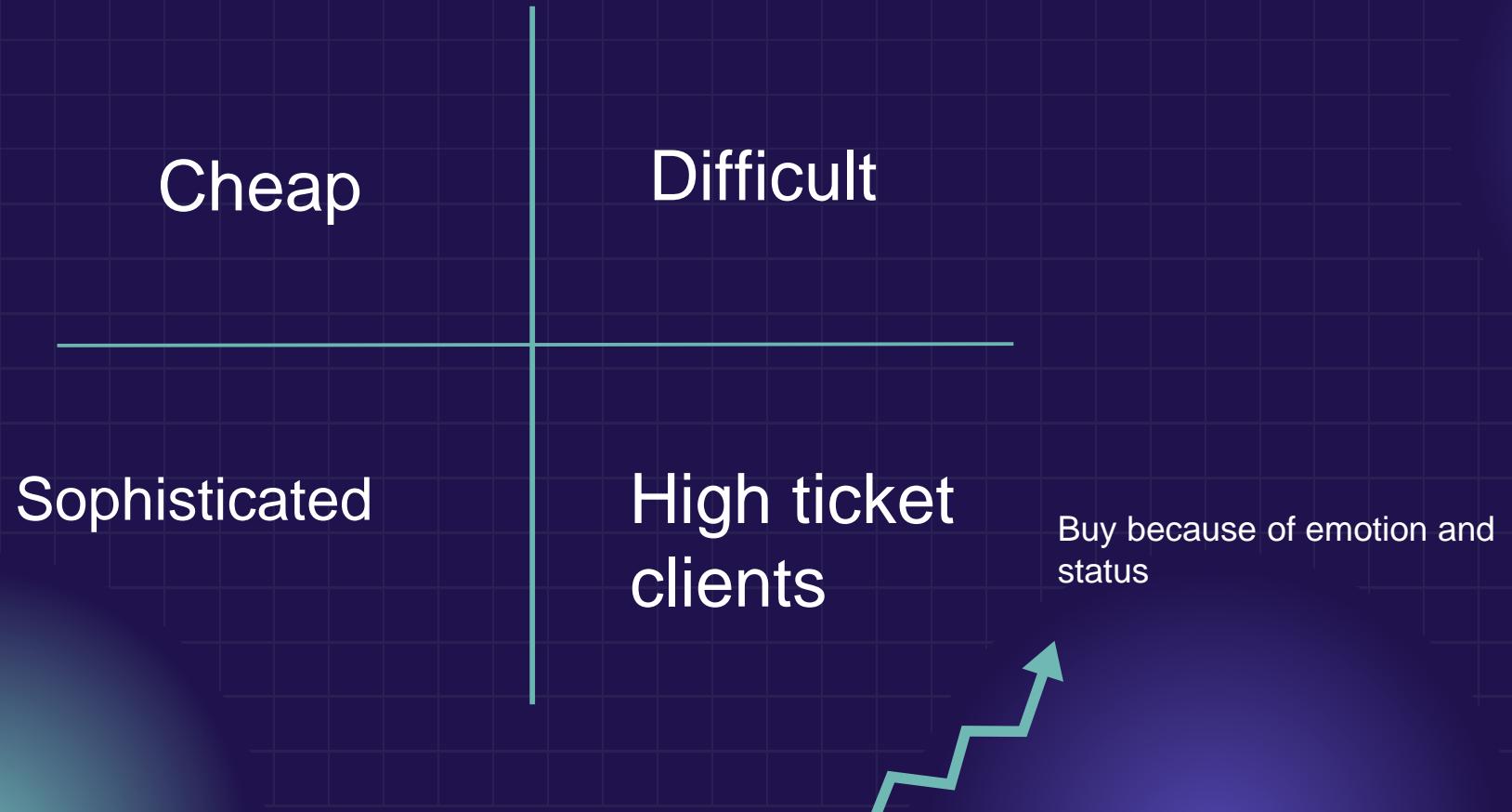


Note :The segments do not necessarily fall under only one but the combination of many, which you have already learned while preparing target persona

Target customers



Client Quadrant



Target customers

The audience you want to engage with.

They are specific subset of the target market that a business focuses on most closely.

For example a target market for a fitness company may be individuals aged 18-35 who are fitness enthusiasts, while the target customer might be further broken down into female yoga practitioners/ male runners etc.

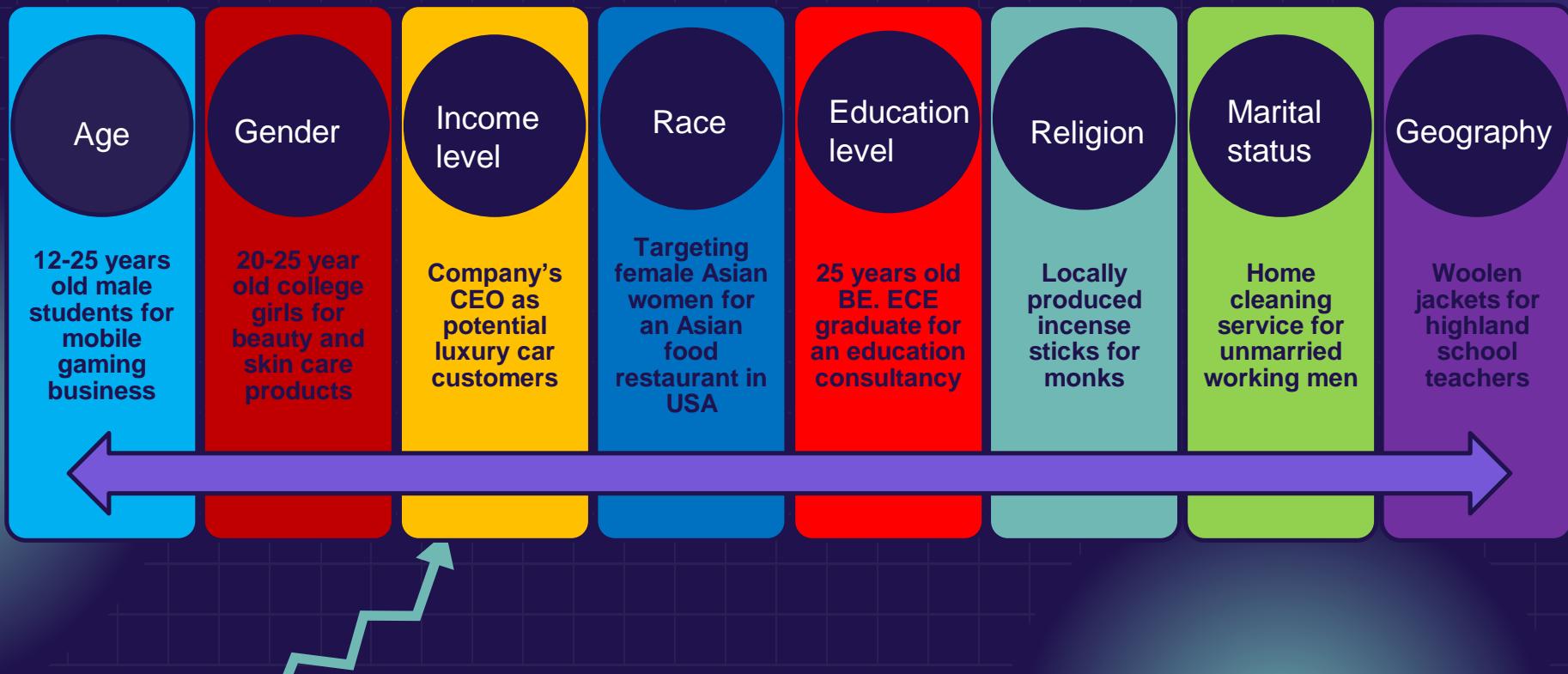
Target market consists of larger group of potential customers while target customers are specific subsets.

Target customers can be portrayed by making use of target customer persona.

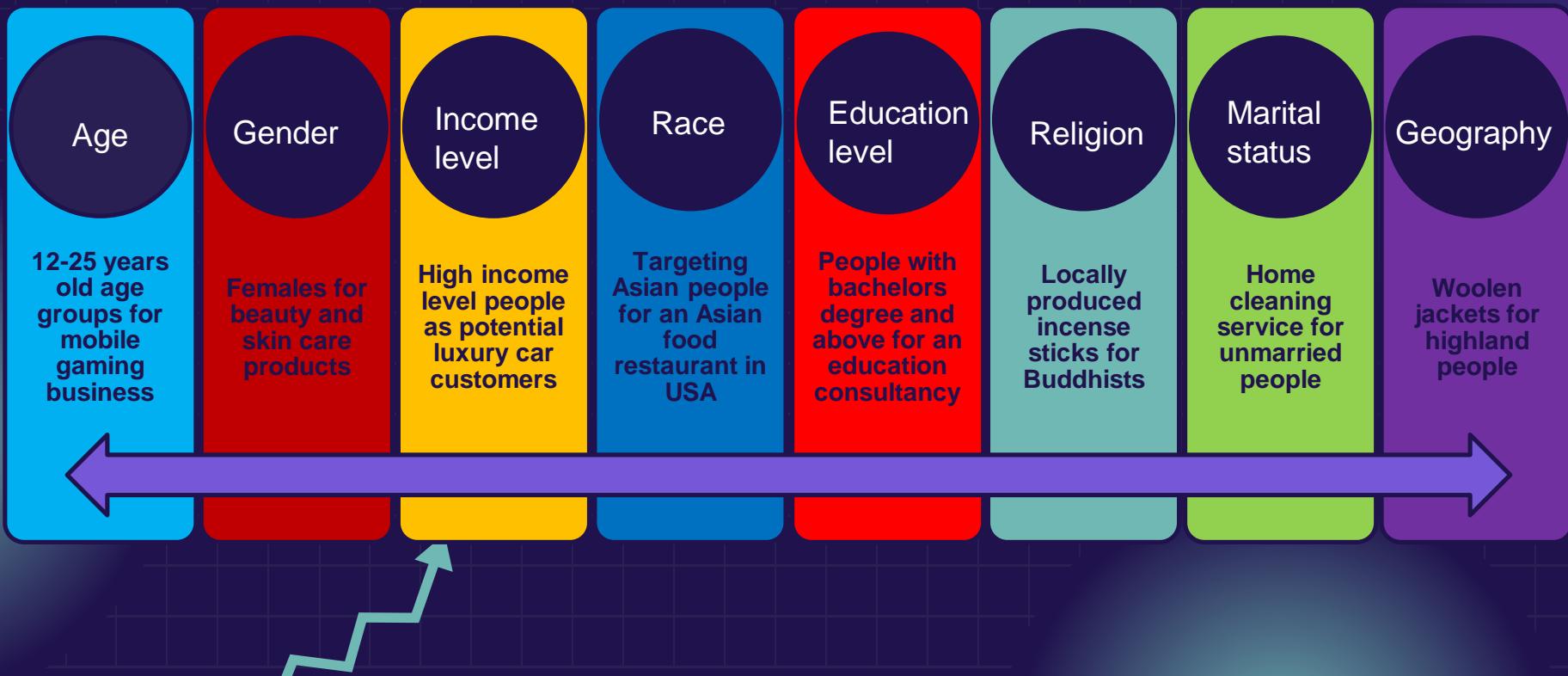


Target customer segments

It is a specific subset of target market segments narrowed down to individuals



Market segments



Target customer segment-part of report

Amongst the selected target markets in target market selection table, identify to whom do you plan to sell the products - Individual customers or institutional customers or both? If individuals, write whether they would belong to any age group, income group, living area, family size etc. If institutions, describe the key features and basis of segmentation

Segment	Features
1	
2	
3	
4	
5	

**Use STEEPLE as a tool for analyzing
the business environment related to
your selected business idea.**

Short presentation on this in the next class.





Demand Analysis



Why is Demand Analysis important?



Demand analysis

Process of determining how much a good or service is demanded by consumers/buyers.

Demand analysis helps us understand the relationship between price and volume demanded in a market.

Helps understand the consumer's behavior to the price change.

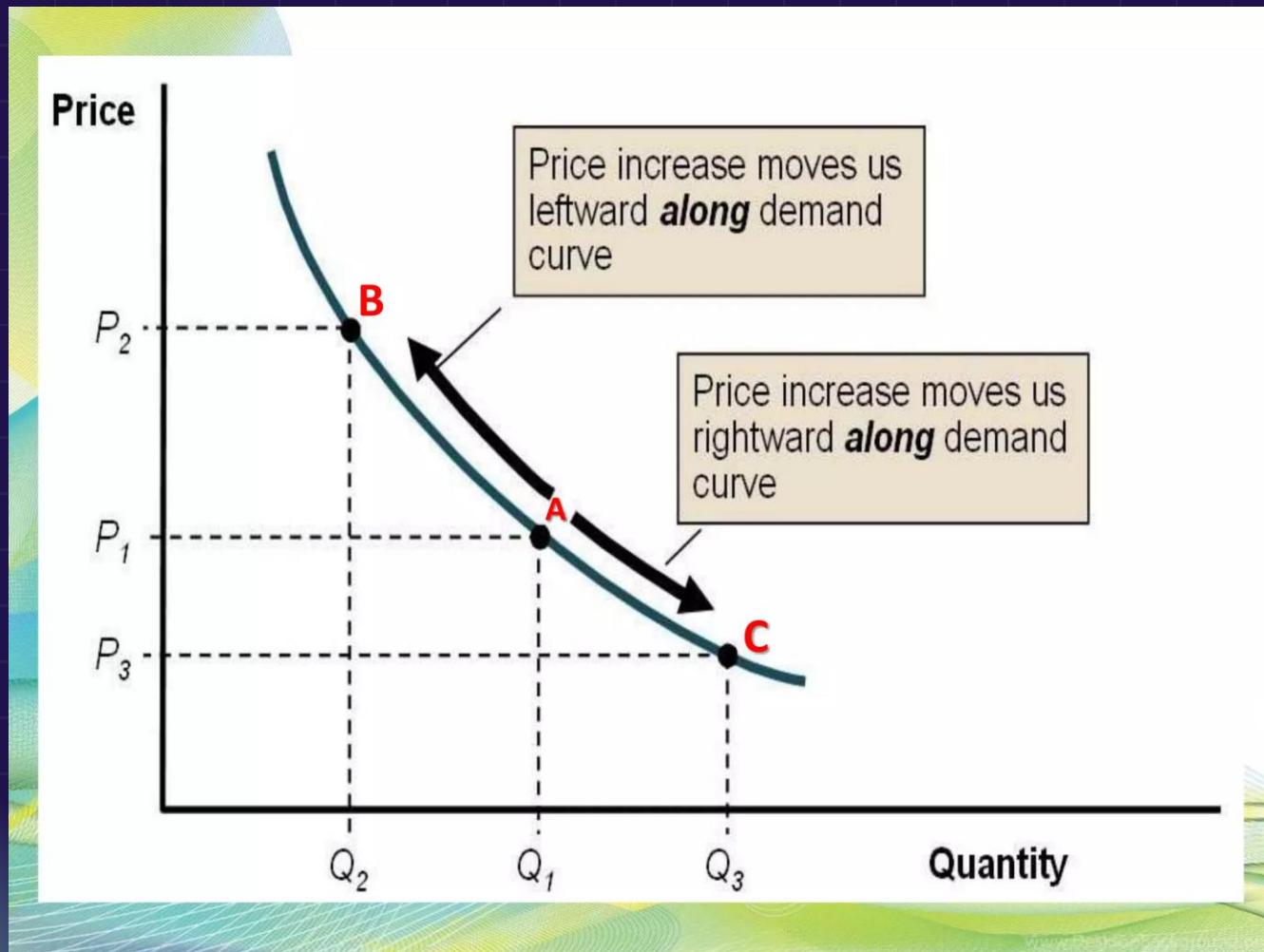
Factors affecting demand of product/service in the market

Price of the good or service

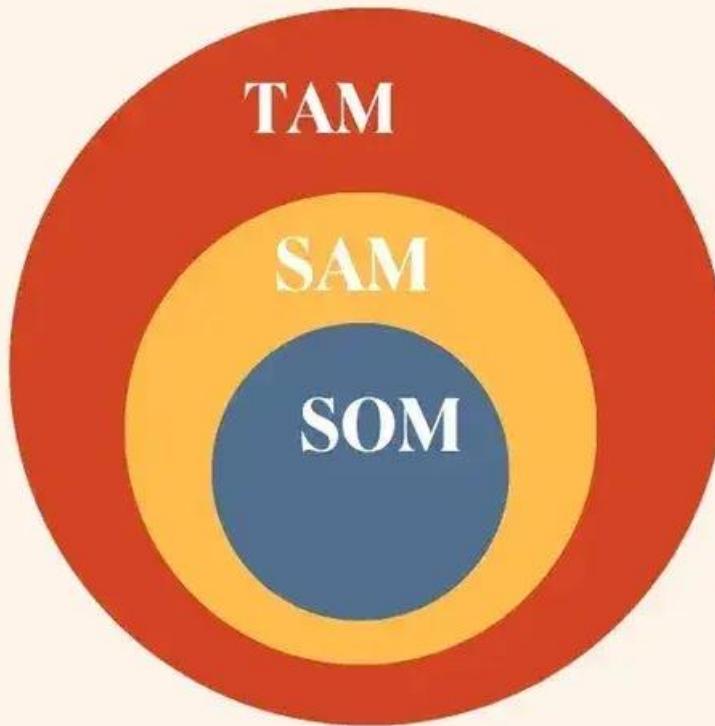
The availability of the good or service

The preferences of the consumers





TAM SAM SOM



TAM

Total market for your product.

SAM

Percentage of SAM you can realistically capture.

SOM

Portion of the market you can acquire based on your business model (your targets).

Demand analysis

Demand analysis helps us understand how much do the customers buy in quantity (numbers) and value (money).

Location	Potential buyers & numbers	Usage rate		Quantity Demanded (usage rate x buyers)
		Volume	Value (Nu)	
Total				

Supply analysis

Analyzing supply involves looking at the relationship between various prices and the quantity potentially offered by other producers at each price.

To ascertain demand for your product/service, it is essential to assess current market by identifying the competitive offering and the market coverage.

First, identify your existing and potential competitors. Next, find out how much they supply to the market per day/month/quarter/year.



Supply analysis

Supply analysis focuses on what is available in the market to meet that demand. It looks at how many products or services are currently being provided.

Example: The bakery's supply analysis would check how many cakes they and other bakeries in town can produce each week. If there are 3 bakeries in the town and they can make a total of 150 cakes each week, the total supply is 150 cakes per week.



Supply analysis

Location	Name of competitor	Name of Product	Supply	
			Volume	Value (Nu)
Total				

Note: Any Assumptions made should be highlighted

Gap analysis

Gap analysis identifies the difference between demand and supply. If demand is greater than supply, there is a "gap" (shortage). If supply is greater than demand, there is also a gap (surplus).

In this bakery example, if the demand is for 200 cakes per week, but the supply is only 150 cakes, there is a **gap of 50 cakes per week**. This gap means some customers won't be able to buy cakes, and there's an opportunity for the bakery to increase production.



Gap analysis

Demand supply gap (excess demand over supply) indicates that a new product/process/service has market potential. Conduct gap analysis using your demand and supply analysis tables.

Total demand (a)	Total supply (b)	Gap (a - b)
Total		

Total demand (a) – Refer demand analysis
This figure refers to the quantity demanded - volume in the demand analysis

Total supply (b) – Refer supply analysis
This figure refers to the quantity supplied in the supply analysis

3. Gap (a - b)
Subtracting total demand from total supply derives this figure.





CHOCOLET GAME PLAY

Competitor Analysis

Is a business strategy that involves studying competitors to gain insight into their products, sales and marketing tactics.

- It can help you discover opportunities.
- Help you to identify your product's value proposition and make your product different from competitors.
- Enable you to identify what competitor is doing right.
- Tells you where your competitors are falling short which helps to discover opportunity.
- Provides you with a benchmark against which you can measure your growth.



Competitor Analysis

Types of competitors

1. Direct competitors.

Businesses that are offering identical or similar products or services as your business.

These are organizations that customers can easily buy from instead of from you.

These companies represent your most intense competition.

Additionally, they have some degree of first mover advantage that you will have to confront.



Competitor Analysis

Types of competitors

1. Direct competitors.



Competitor Analysis

Types of competitors

1. Direct competitors.



Competitor Analysis

Types of competitors

2. Indirect competitors

They are the businesses that are offering products and services that are close substitutes.

These competitors are probably targeting your markets with a same or similar value proposition, but delivering a different product.



Competitive strategies



Cost Leadership



Differentiation



Innovation and disruption



Competitor Analysis

Competitive strategies

Growth: Are there opportunities to expand services, sell into new markets? Introduce new services?

Alliance: Can current or prospective production, promotion, and distribution be improved through partnerships with others?

Time: Can your agency eliminate wait times? Offer on-time access to services? Use time in other ways that your competitors are not doing?



Competitor Analysis

4p competitor analysis

Product strategy

What special features do your competitors' products have in order to make them sellable? You can focus on quality, branding, packaging, customer service etc.

Distribution strategy (Place)

How do your competitors make their products available to the customers and through what channels?



Competitor Analysis

4p competitor analysis

Promotion strategy

How do your competitors communicate about their products to the target buyers?

Do they use advertising, personal selling, sales promotion, direct marketing or publicity?

Price strategy

What pricing strategies do your competitors adopt in pricing their products? Is it demand-oriented, cost-oriented or competitor-oriented?



Competitor Analysis

Use the following table to analyze your competitors. You can use the other tools discussed in the previous lessons (SWOT, Five force, etc.) along with the table

Competitor Analysis				
Competitor	Products and Strategy	Pricing and Strategy	Promotion	Distribution
1				
2				
3				
4				
5				



35

°C

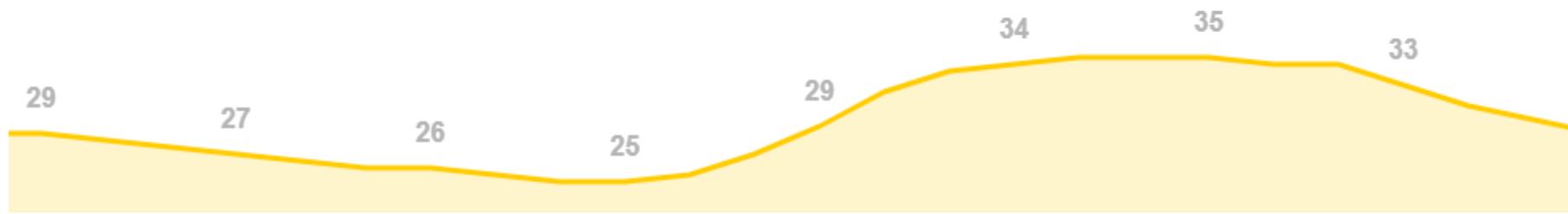
| °F

Precipitation: 0%
Humidity: 77%
Wind: 6 km/hWeather
Tuesday
Sunny

Temperature

Precipitation

Wind



9 PM

12 AM

3 AM

6 AM

9 AM

12 PM

3 PM

6 PM

Tue



35° 25°

Wed



35° 24°

Thu



34° 24°

Fri



34° 24°

Sat



33° 24°

Sun



32° 24°

Mon



32° 23°

Tue



33° 23°

Income and revenue forecasting

It is a process of estimating the future revenue of a company.

It is the process of predicting your revenue over a period of time (yearly basis) by using historical and current sales performance data.

Although based on historical data, it can also be influenced by external factors like market conditions and economic trends.

Revenue forecasting is also known as sales projection.



Income and revenue forecasting

For your product/service, what is the amount of sales per year that you anticipate for your products for the next 3 years? This should be derived based on the demand, supply and gap analysis.

Product(s)	Sales value		
	Year 1	Year 2	Year 3
Total sales in Nu.			

Make realistic forecasting



Update your report

After this unit, students are expected to include in their report, following key metrics and update the report.

- Business environment analysis using any one of the tools discussed
- Market research using appropriate questionnaire items
- Identify target markets and carry out customer segmentation
- Demand, supply and gap analysis as per relevance
- Competitor assessment using tools discussed and the table shown
- Determine the specific pricing for your product or service
- Forecast revenue and income for up to five years



In class exercise

1. Forecast the revenue for your business over next three years

Product(s)	Sales value		
	Year 1	Year 2	Year 3
Total sales in Nu.			

2. Conduct demand, supply and gap analysis for the business project selected using the tables shown.

