

MARKET ANALYSIS AND MARKETING PLAN

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What's the Difference?

Market Analysis Describes Targets (Who & Why)

- Customers
- Competition
- Competitive Advantage
- Critical Success Factors
- Critical Risks
- Potential Sales/Market Share

Marketing Plan Describes Tactics (How)

- Product Positioning
- Price
- Placement
- Promotion
- Sales Process
- Partnerships

Why Segment the Market?

- All firms have limited resources. They can't be all things to all people. They must decide where to focus their limited time, money and human capital so that they yield the greatest return.
- That means identifying “right-sized” pieces of the market to go after.
- To better understand your customers!

What Makes a Market Segment Promising?

- Measurable: possible to determine size
- Significant: large enough to be profitable
- Recognizable: distinct enough so that you can identify its members
- Compatible: with your venture's mission, strengths, ability

Ways to Target the Market

- Geographic
 - local, regional, national, international
- Demographic
 - B2C: gender, age, income, education, ethnicity
 - B2B: revenues, # employees, industry
- Psychographic
 - values, lifestyles, hobbies
- Behavioral
 - benefits sought, usage rate
 - DILO

Make Sure Your Product Is Compelling

- What problem will you solve?
- How will your product make your segment's lives better?
- Know what your customers are currently doing:
- Know how satisfied they are with existing options.
- How hard will it be to get them to change what they're currently doing?

Who Is My Competition?

Competition = everybody who's after the same dollar you are.

- Direct Competitors
- Indirect Competitors
- Possible New Entrants

Your Competitive Landscape

	Company A	Company B	Company C	Company D	Your Company
Models	1	5	4	2	?
Avg. Price	\$23,270	\$18,430	\$24,170	\$19,330	?
Warranty	Y	N	N	Y	?
Distribution	National	South	Northeast	National	?

Creating a Competitive Advantage

Having a **Sustainable Competitive Advantage** allows you to distinguish your product from the competition's. It's what is going to give you a significant edge.

Creating a Competitive Advantage

- Intangible Items
 - Superior Product/Brand
 - Intellectual property rights
 - Operational Excellence
 - Innovation Leadership
 - Intimate Customer Relationships/Experiences
 - Cost Advantage

Your Critical Success Factors

CSF = What absolutely must happen in order for you to be successful. In other words, “If I don’t do X, then my venture will fail.”

- Identify five *or fewer* CSFs
- CSFs will be driven by your industry, business model, target markets, etc.

Critical Risks

- Investors aren't looking for risk-free businesses; there is no such thing.
- What they are looking for is evidence that you know where potential trouble lies and that you've thought of contingency plans.
- Be forthright in your assessment of risk.

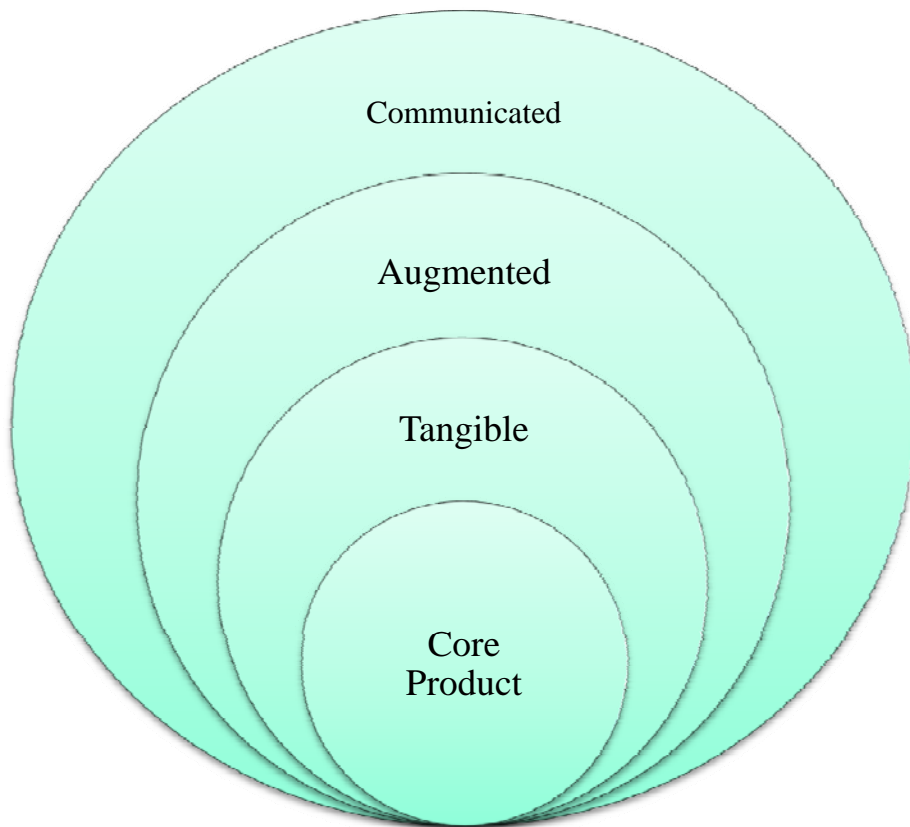
Examples of Common Critical Risks

- Competitor response to your entry into the market.
- Sales below expectations.
- Unable to find suppliers.
- Inability to find a distributor.
- Inability to get shelf space.

The Marketing Plan

Your Go-to-Market Strategy

Your Product



- **Core Product:**
Primary benefit
- **Tangible Product:**
Features
- **Augmented Product:**
Enhances purchase exp.
- **Communicated Product:** Branding

Branding

A brand is the promise of a
repeatable experience

Positioning

- Consumers attach mental pictures to company and brand names
- Positioning is relative to the competition
- Everything a company does (4Ps) creates an image in customers' minds.
- These images are very long-lasting and difficult to change.

Top-of-Mind Awareness (TOMA)

A TOMA survey is a simple piece of market research to determine competitive set and positioning.

TOMA Survey Questions:

1. What is the first company (product) that comes to mind when you consider buying _____?
2. Who else?
3. What do you think of when you hear the name _____?

The Positioning Process

- What is our brand's current position?
- Who are our competitors?
- What are their positions?
- What position is open to us?
- What position do we want?
- What do we need to do to get there?

Pricing

- What is the value to the customer?
- How much can you extract?
- Given a choice among competitive offerings, the customer will most likely choose the brand with the highest value to price ratio.

Pricing Process

- What are the two most important benefits for the customer?
- Who are the *real* competitors?
- What is the market's perception of the amount of benefit they receive from you and competitors?
- What are the competitor's prices?
- What should be your price to deliver the greatest value to the market?

Placement: How are you going to get a sale?

- Direct to your customer
 - Online
 - Own physical location
- Indirect to your customer
 - Through retailers
 - Through wholesalers
- Resources necessary

Promotion: Getting Their Attention

- Common Tools
 - Advertising (print, broadcast, online)
 - Direct mail
 - Email/website
 - Social networking
 - Trade shows/events
 - Cold calling/telemarketing
 - Face-to-face
 - Public relations

Choosing Your Marketing Mix

Factors to consider

- Choose media your target segments use most.
- Take into account how complex your sale is (big ticket, new technology, multiple decision makers).
- Use media appropriate for your product.
- Target your message so that your customer receives it when they're most receptive.
- Use an assortment of tactics to send a unified message.
- Be focused.

What Happens When Customers Raise Their Hands?

- What systems do I need in place to handle customer inquiries and process orders?
 - Fulfillment
 - Shipping
 - Brochures/Sales literature
 - Website

Resources

- Internal resources
- Seek out partners for all phases of the Go-To-Market Strategy.
- Collaborate with potential “competitors”.

*The race may not be the swift, nor
victory to the strong, but that's how
you bet.*

- Damon Runyon