

3.05 EMPLOYEE MARKETING-INFORMATION TO DEVELOP A MARKETING PLAN

Conduct Market Analysis

Conduct SWOT Analysis

Conduct Competitive Analysis



MARKET ANALYSIS

- *What Is It?* An evaluation of the market for a company's goods and services. For example, a company might be interested in the characteristics of consumers who are buying the firm's products, or a comparison of its products with those offered by competitors.
- *Why do we need It?* Before you can describe your marketing and sales strategies, you need to figure out what market you serve and what need you fulfill.



COMPONENTS OF A MARKET ANALYSIS

1. Target Segment Description
 2. Target Segment's Needs (Why do customers need the product/service?)
 3. Distribution channels (Where do customers need the product/service?)
 4. Buying Habits (What factors influence the target market to buy?)
 5. Communication channels (How will you communicate with the customers?)
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ADVANTAGES OF USING A SPREADSHEET FOR MARKET ANALYSIS

- Keep your market numbers organized.
- It helps you track the basic numbers of potential customers by segment, with columns to estimate growth rates and the projected future numbers.

Rank	City	Population	Definition	Area (km ²)	Population density (/km ²)
1	Shanghai	13,831,900 ^[7]	Core districts + Inner suburbs ^[8]	1,928	7,174
2	Mumbai	13,830,884 ^[9]	Municipal Corporation	603	22,937
3	Karachi	12,991,000 ^[10]	City District	3,527	3,683
4	Delhi	12,565,901 ^[9]	Municipal Corporation	431.09 ^[11]	29,149

STEPS FOR CONDUCTING MARKETING ANALYSIS

- 1) What do you want to know?
- 2) Draft your questions *and* hypotheses for how people will answer.
- 3) Find the right group of people for your market research.
- 4) Determine the best method to ask your questions.
- 5) Analyze your findings.



CONDUCT SWOT ANALYSIS FOR USE IN THE MARKETING PLANNING PROCESS

- SWOT analysis is a strategic planning technique that analyzes a company's internal STRENGTHS and WEAKNESSES, and studies OPPORTUNITIES and THREATS in the external sales environment.
- Who to involve in a SWOT Analysis?
 - For those who want to improve the competitiveness of a company, region or country.
 - People directly involved in various hierarchical levels of decision making in an organization or business, or a wider sample of actors if the SWOT analysis concerns a whole region or nation. Representatives from a variety of stakeholders groups should be involved, as they would bring in the analysis their own particular perspectives. At least one expert in SWOT analysis should take part or moderate the process.

WHEN SHOULD A SWOT ANALYSIS BE CONDUCTED?

- SWOT analysis is done as part of the overall corporate planning process in which financial and operational goals are set for the upcoming year and strategies are created to accomplish these goals.
 - When a company wants to get a picture of how the company should position itself against competitors.
 - When seeking out new opportunities and forecasting longer term opportunities
 - To help companies be better prepared for whatever it will encounter in the external environment.
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BENEFITS OF A SWOT ANALYSIS

- The main advantages of conducting a SWOT analysis:
 - Little or no cost
 - Anyone who understands your business can perform a SWOT analysis
 - When you don't have much time to address a complex situation
- Another advantage of a SWOT analysis is that it concentrates on the most important factors affecting your business. Using a SWOT, you can:
 - understand your business better
 - address weaknesses
 - deter threats
 - capitalize on opportunities
 - take advantage of your strengths
 - develop business goals and strategies for achieving them.

FACTORS CONSIDERED IN A SWOT ANALYSIS

Internal Factors

- Changes in spending on other parts of the company's marketing and promotional mix
- Changes in what is happening in different territories or markets
- Changes in sales management practices
- Changes in number of salespeople supervised by one person

External Factors

- Intensity of competition
 - Total market potential
 - Concentration of potential high-volume buyers
 - Geographic distribution of customers
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PROCEDURES FOR CONDUCTING A SWOT ANALYSIS

- Step 1 – Information collection – In the here and now...
 - List all strengths that exist now. Then in turn, list all weaknesses that exist now. Be realistic but avoid modesty!
 - You can conduct one-on-one interviews. Or get a group together to brainstorm. A bit of both is frequently best.
 - You'll first want to prepare questions that relate to the specific company or product that you are analyzing. You'll find some questions and issues below to get you going.
 - When facilitating a SWOT – search for insight through intelligent questioning and probing

PROCEDURES FOR CONDUCTING A SWOT ANALYSIS (cont'd)

- Step 2 – What might be...
 - List all opportunities that exist in the future. Opportunities are potential future strengths. Then in turn, list all threats that exist in the future. Threats are potential future weaknesses.
- Step 3 – Plan of action...
 - Review your SWOT matrix with a view to creating an action plan to address each of the four areas.

BENEFITS OF COMPETITIVE ANALYSIS

- **Identify Your Own Competitive Strengths** - You'll discover your company's competitive advantage -- the reason customers do business with you instead of your competition. **Determine Areas of Weakness and Stimulate Innovation** - Analyzing competitors' offerings may spur ideas for innovative improvements to your product offerings.
- **Understand Pricing Better** - Are you charging 50% below market for your products and services? Are you charging double what the competition is charging? The only way to find out is determine what competitors are charging. With competitor pricing in hand, you can make smarter decisions with respect to your own pricing.

BENEFITS OF COMPETITIVE ANALYSIS (cont'd)

- **Find Untapped Opportunities** - You might find that there are some categories of customers whose needs are not being met. For example, if you plan to prepare and deliver gourmet meals, you may discover that a particular part of town is not currently being served. If you can satisfy unmet needs, you'll develop a market "niche."
- **Learn Industry Best Practices** - By observing the actions of your competitors, you might learn more about your market. For example, does a successful competitor offer reduced prices during a particular season? If so, what might that tell you about your market's spending habits?
- **Steer Clear of Overly Competitive Markets** - If you find that your market is saturated with capable competitors, you can avoid the costly mistake of starting a business without adequate demand. You can then redirect your efforts toward something that will pay off instead. (For example, your research may tell you that there's an ample number of thriving gourmet meal services in your targeted market area already.)

COMPONENTS OF A COMPETITIVE ANALYSIS

- Price
 - Quality
 - Customer Service
 - Financial Stability
 - Location
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PROCEDURES FOR CONDUCTING A COMPETITIVE ANALYSIS

- Defining the problem
 - Analysis of the situation
 - Obtaining data that is specific to the problem
 - Analysis and interpreting the data
 - Fostering ideas and problem solving
 - Designing a plan
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