

**APPROACHES IN THE ANALYSIS OF MARKETING**

**BY**

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**WELCOME**

**1<sup>st</sup> December 2014**

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WHY ANALYZE MARKETS ?

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- ▶ Understand my market – what is it

- ▶ Place?

- ▶ Product Vs Customer Cf Seller


- Vs Buyer

- ▶ Region

- 
- ▶ A market may be viewed as comprising of people with demand, that is, with both **ability** and **willingness** to buy, and is therefore the source of opportunity.

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- ▶ Ability to buy – why would a willing customer not be able to buy ?

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- ▶ being unable to access
  - ▶ Financial ability
  - ▶ Compatibility
  - ▶ Package size
  - ▶ .

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Able?



- 
- ▶ Willingness to buy – A state of mind, due to opinions, attitudes, experiences and lifestyles of the people.

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Is he willing ?






- ▶ **Define your Market .**

- ▶ What is its composition in terms of the buyers (customers) in the market?

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- ▶ Should be based on the needs of the customers, rather than on the basis of the product.

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▶ Who are our competitors ?

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- ▶ Understand the environmental trends – these provide opportunities and threats
  - ▶ Do we know some of these?

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## Opportunities

- ▶ Willing and able consumers
- ▶ Modern technology
- ▶ A growing market
- ▶ Favourable economic environment
- ▶ Favourable political environment



▶ Threats

▶ Intense competition

▶ Obsolete technology

▶ Unskilled personnel

▶ Lack of facilities





▶ Trends in the market dynamics

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The role of research as a basic tool for  
data gathering

Can I analyze a market without data?

What kind of data do we need?

# Need for information



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- ▶ Reliability of information


- ▶ Can we rely on this?

- ▶ Credibility of information.

- ▶ Who gave it?

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- ▶ Relevance of information
  - ▶ How current? Time dimension?
  - ▶ Currency: how current?
  - ▶ Accuracy : is it accurate?

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What to analyze

- ▶ Customers
- ▶ Competitors
- ▶ Market trends
- ▶ The environment

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- ▶ **Estimate market potential,**
  - ▶ the total demand for the product category (primary demand) VS demand for particular brand (selective demand)  
cf
  - ▶ Demand for maize Vs demand for Hybrid 611





▶ Market potential can be estimated by:

1. **Direct derivation** – considering factors in the market place that are associated with the product,

▶ Tilling land Vs purchase of Seed?

▶ Increased number of farmers buying fertilizer



**2 Market estimation** – by estimating the number of buyers in the market and the quantity purchased per year.

$$D = n \cdot q \cdot p$$

where  $n$  = no. of buyers in the market,  $q$  = quantity purchased per year,  $p$  = price

- 
- ▶ The number? What exactly does this mean?

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# Numbers matter



- 
- ▶ quantity purchased per year?  
What is the frequency of purchase?

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- ▶ Is buying only once but very large volume better than many small purchases spread out across the year?

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▶ Price

▶ What is the significance of price?

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## Remember

- ▶ The analysis of marketing could be on the basis of
- ▶ **functional approach.** The functions performed by organization

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- ▶ **Institutional Approach** – focusing on the organization

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- ▶ **Commodity approach** – considering the product itself

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# Bean seed



# Maize seed






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- 
- ▶ Analysis involves consideration of key market characteristics such as
    - size of the market
    - structure of the market

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- ▶ **Identifying Market Characteristics**

- ▶ Generally, a good market would be one in which:
- ▶ There is good potential for market growth.
- ▶ There are few barriers to entry
- ▶ Has opportunity for competitive advantage

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- ▶ There is stability in customer demand.
  - ▶ No large capital material is required.
  - ▶ There is good prospects for increased market share
  - ▶ A high return on investment relative to other markets.

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# Demos in Ethiopia



# Demos in Kenya



# Southern Sudan





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