

# **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

## Marketing Plan Describes Tactics (How)

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

# Why Segment?

- 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.
- Identify “right-sized” pieces of the market to target
- To better understand your customers!

# What Makes a Market Segment Attractive?

- 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

# How to Segment

- 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 the Competition?

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

- Direct Competitors
- Indirect Competitors
- Possible New Entrants

# Creating a Competitive Advantage

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



# Critical Success Factors

- 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 three *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
- They are looking for evidence that you know where potential trouble lies and that you've thought of contingency plans.
- Be forthright in your assessment of risk.

# 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 experience
- Communicated Product: Branding

# Branding

A brand is the promise of a  
repeatable experience

# 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 when you hear the name \_\_\_\_\_?

# The Positioning Process

- 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 your target segment?

# Place

- How are you going to get a sale?
- Direct to your customer
  - Online
  - Physical location
- Indirect to your customer
  - Through retailers
  - Through wholesalers
- Salesforce
- Resources

# Communication

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

# Choosing Your Media 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).
- 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 need to be 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