APPROACHES IN THE ANALYSIS OF MARKETING

BY

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WELCOME

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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.
Ability to buy – why would a willing customer not be able to buy?
being unable to access
Financial ability
Compatibility
Package size
Able?
Willingness to buy – A state of mind, due to opinions, attitudes, experiences and lifestyles of the people.
Is he willing?
Define your Market.

What is its composition in terms of the buyers (customers) in the market?
Should be based on the needs of the customers, rather than on the basis of the product.
Who are our competitors?

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Understand the environmental trends – these provide opportunities and threats

Do we know some of these?
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
Reliability of information
Can we rely on this?
Credibility of information.
Who gave it?
- Relevance of information
- How current? Time dimension?
- Currency: how current?
- Accuracy: is it accurate?
What to analyze

- Customers
- Competitors
- Market trends
- The environment
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.

\[ D = n \times q \times p \]

where \( n \) = no. of buyers in the market, \( q \) = quantity purchased per year, \( p \) = price
The number? What exactly does this mean?
Numbers matter
What is the frequency of purchase?

quantity purchased per year?
Is buying only once but very large volume better than many small purchases spread out across the year?
Price
What is the significance of price?
Remember

- The analysis of marketing could be on the basis of **functional approach**. The functions performed by organization...
Institutional Approach – focusing on the organization
Commodity approach – considering the product itself
Bean seed
Maize seed
Analysis involves consideration of key market characteristics such as:
- size of the market
- structure of the market
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
- 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.
Demos in Ethiopia
Demos in Kenya
Southern Sudan