APPROACHES IN THE ANALYSIS OF MARKETING

BY

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WELCOME

1st December 2014

WHY ANALYZE MARKETS ?

- ▶Understand my market what is it
 - ▶Place?
 - ▶ Product Vs Customer Cf Seller
 - Vs Buyer Buyer Management Institute
 - Region Iniversity of Nairobi

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 ement Institu opportunity versity of Nairobi

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

- being unable to access
- Financial ability
- Compatibility
- Packagersizes Management Institute
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Aple\$



► 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?
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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?
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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 agement Institute
 - Lack of facilities of Nairobi

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.
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- Relevance of information
- ► How current? Time dimension?
- Currency: how current?
- Accuracy: is it accurate? ent Institute
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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)
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- 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

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

D = n.q.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



Auantity purchased per year?
What is the frequency of purchase?

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?

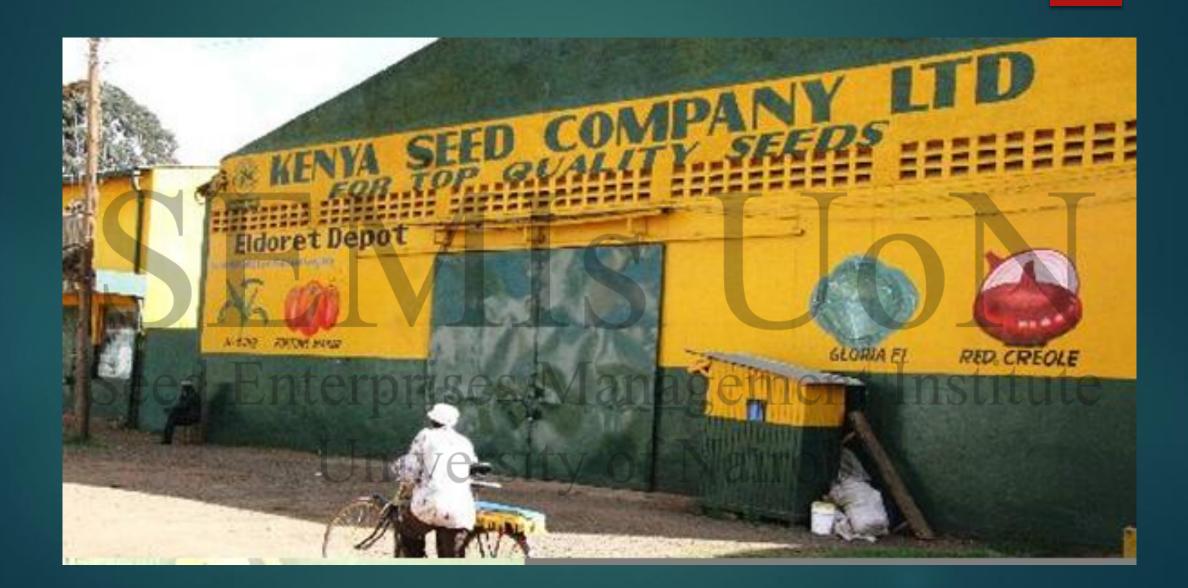


Remember

- The analysis of marketing could be on the basis of
- Inclined approach. The functions performed by organization and institute

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Institutional Approach – focusing on the organization

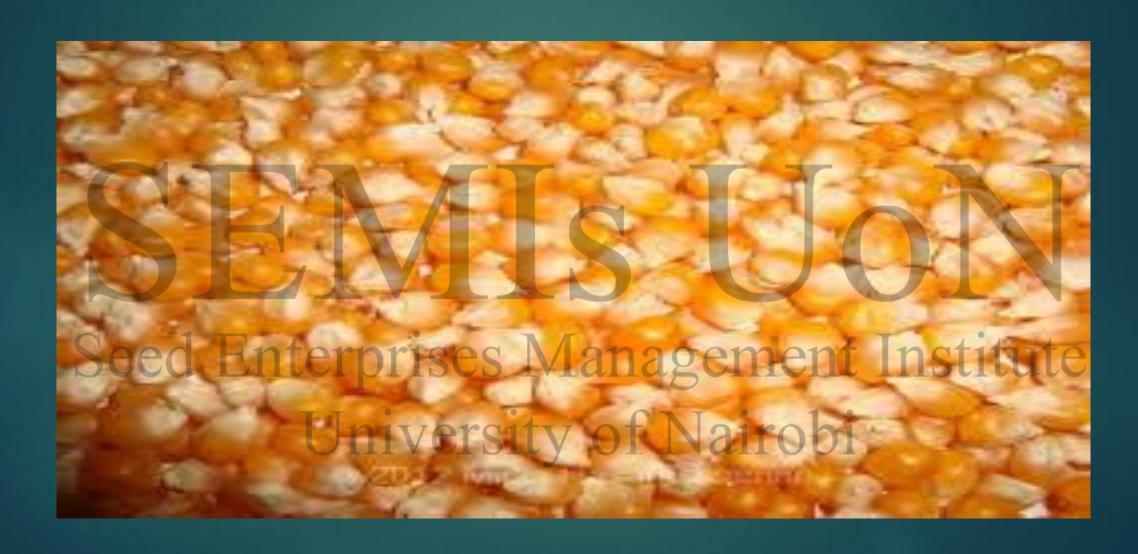


Commodity approach – considering the product itself

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



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