



APPROACHES IN THE ANALYSIS OF MARKETING

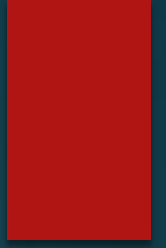
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WELCOME



1st December 2014

WHY ANALYZE MARKETS ?





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- ▶ Understand my market – what is it
 - ▶ Place?
 - ▶ Product Vs Customer Cf Seller
Vs Buyer
 - ▶ Region

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- ▶ 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 ?

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- ▶ 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?



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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?

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
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▶ Trends in the market dynamics





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

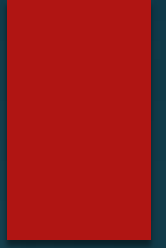


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- ▶ Reliability of information
 - ▶ Can we rely on this?
 - ▶ Credibility of information.
 - ▶ Who gave it?

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

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?

Numbers matter





▶ quantity 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
- ▶ **functional approach.** The functions performed by organization



▶ Institutional Approach – focusing
on the organization



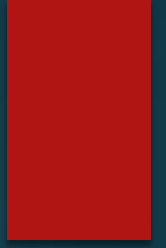




Bean seed



Maize seed







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



▶ **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.

Demos in Ethiopia



Demos in Kenya



Southern Sudan



END

