

DTU 42435 – Fall 2013

Market Economy

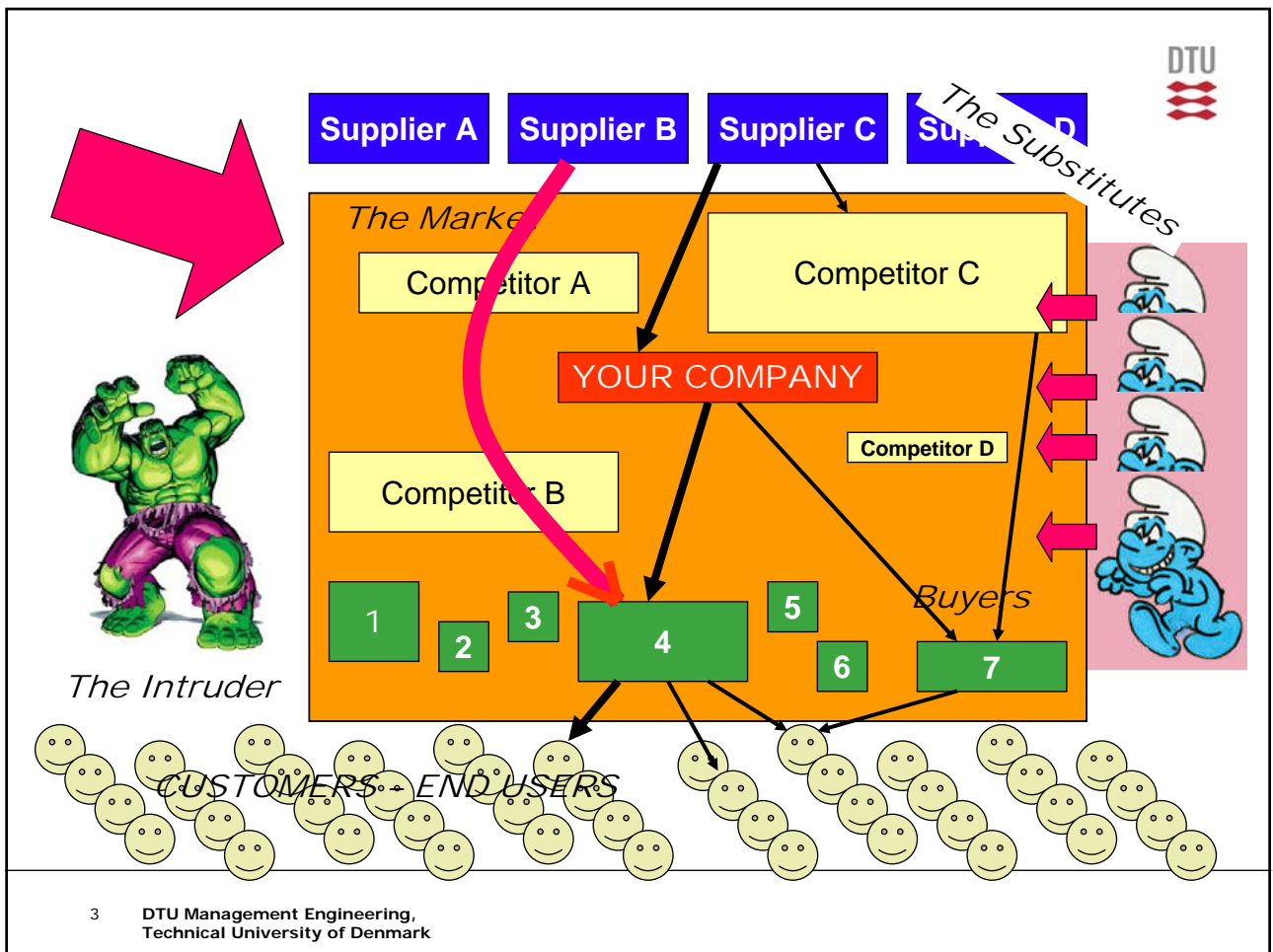
AGENDA

- **Michael Porters Market Model**
- **The value Chain**
- **Market response to new products**
- **Market Analysis**
- **Marketing Planning**

Michael Porter's market – and the forces

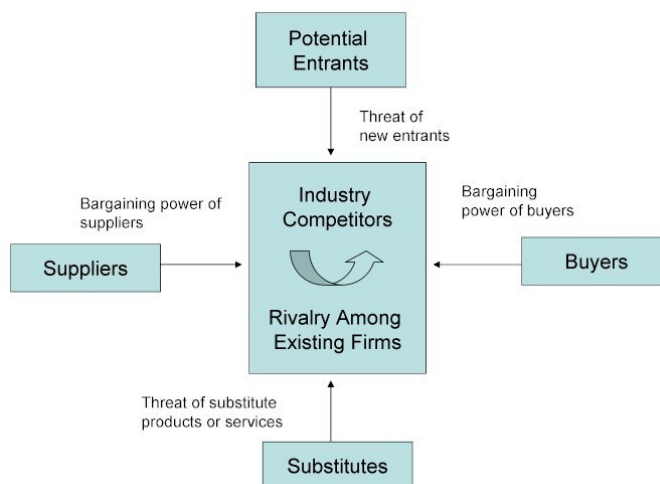


Awareness of the five forces can help a company understand the structure of its industry and stake out a position that is more profitable and less vulnerable to attack *Michael Porter 1979*



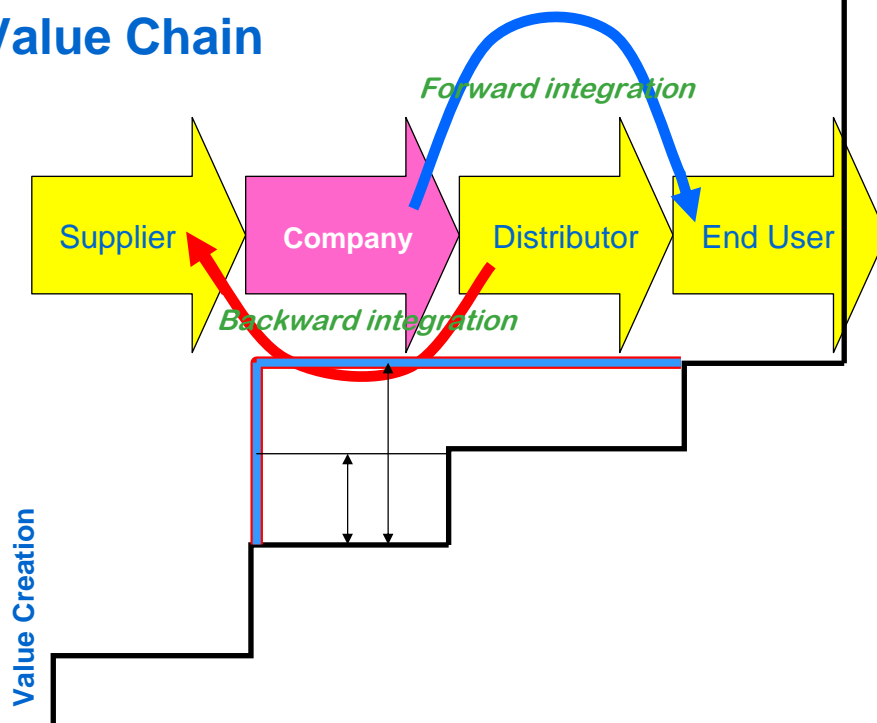
Michael Porter's **Five Forces:**

1. Supplier Power
2. Buyer Power
3. Competitive Rivalry
4. Threat of Substitution
5. Threat of New Entry



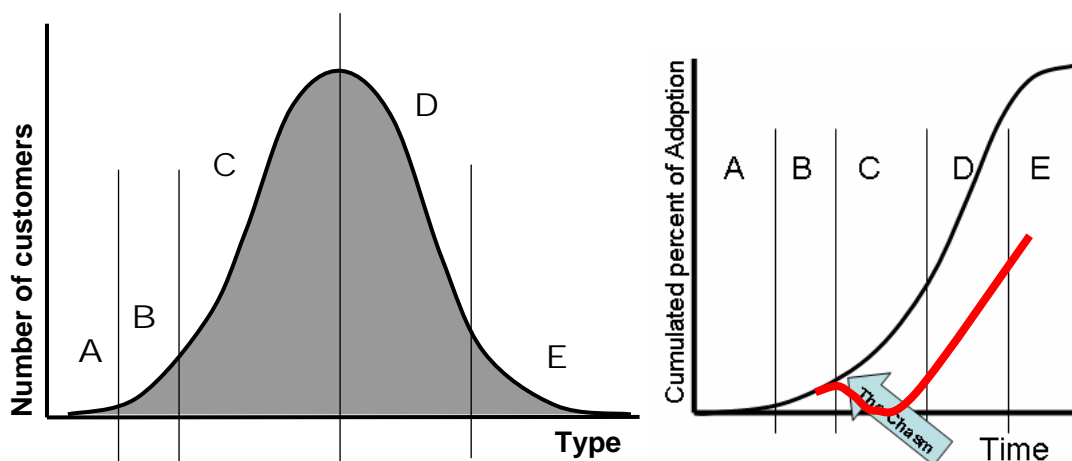
<http://www.quickmba.com/strategy/porter.shtml>
[42435 note on MP5F](#)

The Value Chain



Market Response to new products

- A. **Pioneers** – love change and technology.
- B. **Early Adopters** – do too, but they are rational and particular
- C. **Early Majority** – no strong opinions, influenced by early adopters
- D. **Late Majority** – fat and lazy – and driven by early majority
- E. **Laggards** – hate you and buy only when they have to.



Bridging the Chasm: real pain killing gets the early adopters to ring the bell!

Market Analysis

Research

- Who are the customers?
- Who are the decision makers?
- Where are they – how many? (Demographical data)
- Why would they buy? (*Ask them!*)
- How much do they buy? (T/O in the market + trend)
- Any important market drivers?
- Competitors
- Suppliers
- Distributors + channels
- The value chain
- *Analysis by MP5F + conclusions*

Now you can make your market entry scenario

And then you can make your BP + your budgets

Marketing Plan Execution!

- **Make a "pre-flight checklist"**

- **Preconditions for starting sales**

- Standards and approvals
 - Organizational preconditions
 - Subcontractor's agreements
 - Marketing materials
 - Launch – production - up scaling
 - Etc.: this is case sensitive stuff

- **Objectives** Quantify your success
- **Activities** Going in, staying, selling, producing, reporting
- **Resources needed** (heads, facilities etc.)
- **Time schedule** Milestones and work periods
- **Budget** Total expenditures and cash flow