

Market Economy

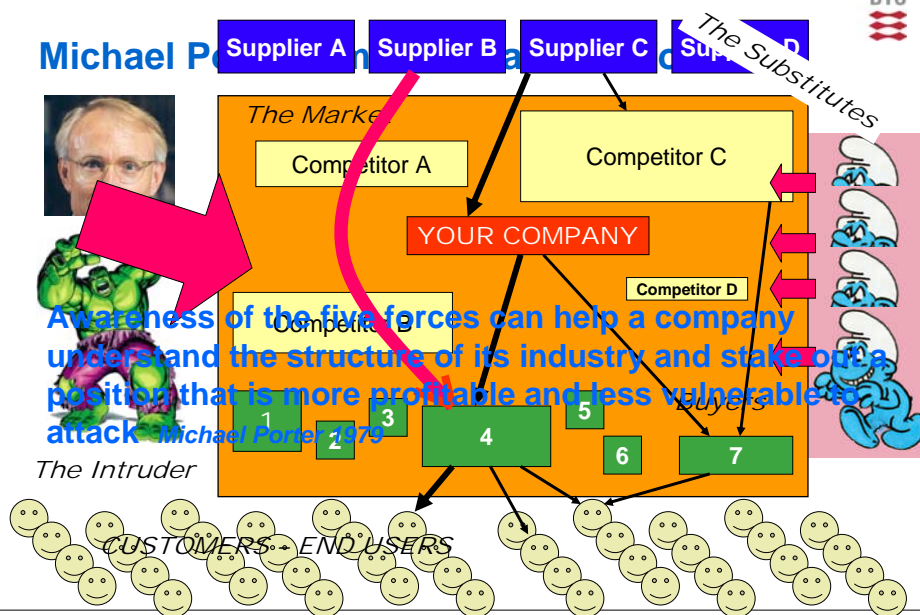
AGENDA

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

Michael Porter

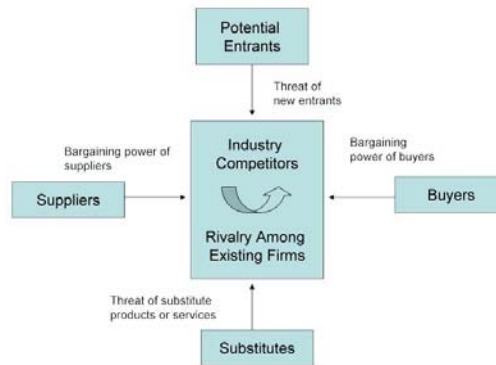


Awareness of the five forces can help a company understand the structure of its industry and stake on a position that is more profitable and less vulnerable to attack. - Michael Porter 1979



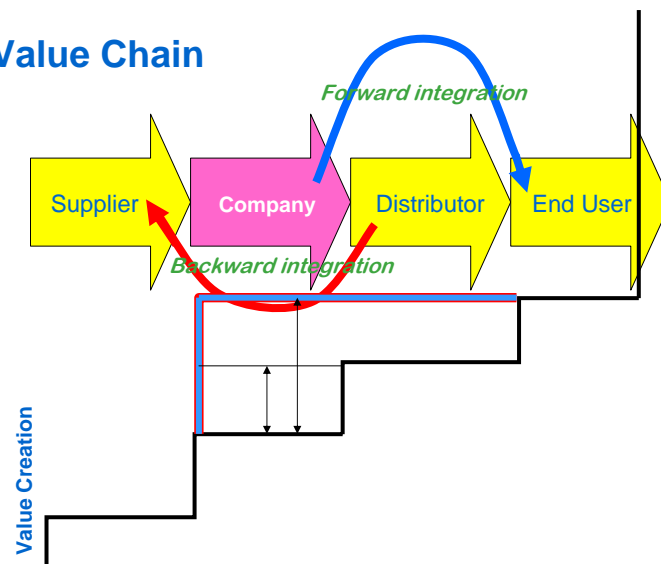
Michael Porter's Five Forces:

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



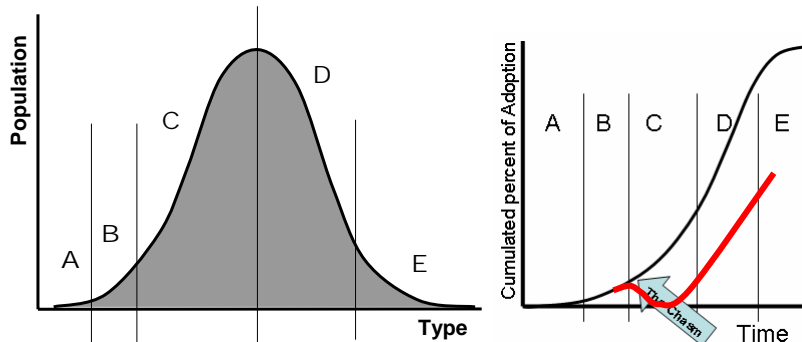
<http://www.quickmba.com/strategy/porter.shtml>
42435 note on MP5F

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? (Demographicals)**
- **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 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

Next:

(6. lecture, 7 May 2013: build 402 room H009)

Sales & marketing Management