

# Market Economy

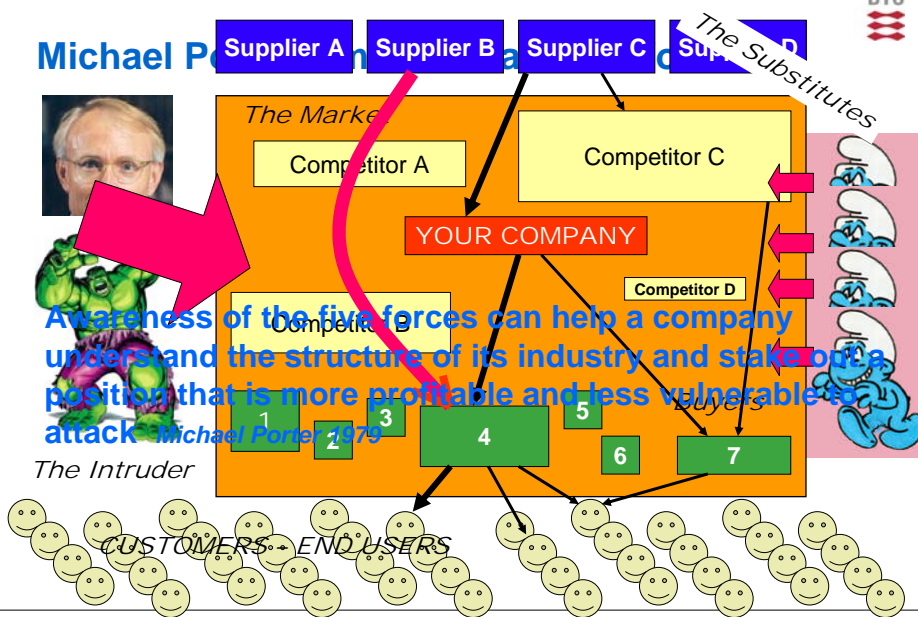
## AGENDA

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

## Michael Porter

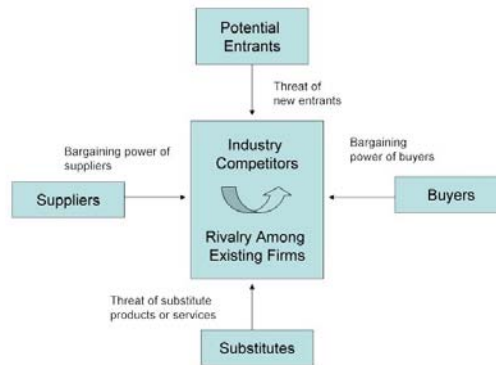


Awareness of the five forces can help a company understand the structure of its industry and stake on a position that is more profitable and less vulnerable to attack. *Michael Porter 1979*



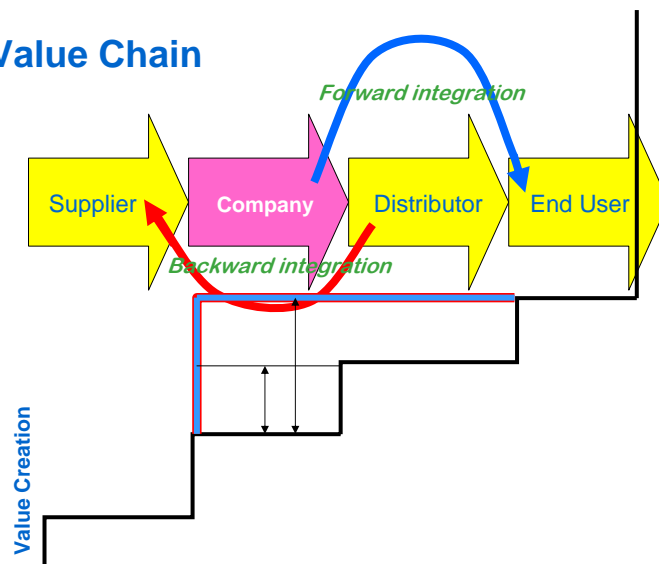
## Michael Porter's Five Forces:

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



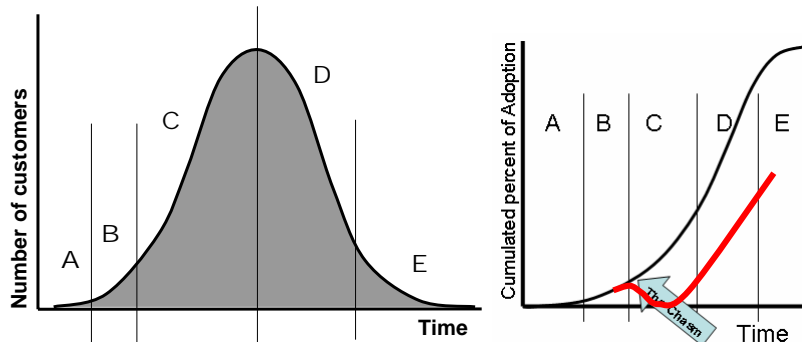
<http://www.quickmba.com/strategy/porter.shtml>  
42435 note on MP5F

## 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