SALES & MARKETING
basic principles

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Reference business field

Activity chosen

Social – economic – institutional environment
MARKET SEGMENTATION

1. Total Market

2. Differentiated Market

3. Identified Market
Market segmentation (continues)

- **Total market**: means the market demand for our product/service, as defined on slide at pag.7

- **Differentiated market as per**:
  a) type of targeted consumer (ex. young – elder; low, middle, high income; living in city or outside of town; different educational level)
  b) influencing frequency of consumption (ex. alcohol, proposing multiple intake occasions)
  c) Sales outlet chosen (ex. mineral water sold only in pharmacies) and distribution channel chosen (short/long); both having an effect on sales price and our communication → if towards trade or consumer
WHAT IS MARKETING?

• Ability to understand customer’s needs
• Give customers satisfactions sought

SO AS TO ALLOW ENTERPRISE REWARD
THE MARKETING TARGET

Make the product/service

attractive
accessible
easily usable

Influencing customer’s desires

THUS INFLUENCING THE DEMAND
The market demand for a product is:

• the product quantity supposedly bought by a specific buyers group,
• given specific geographical area and time period,
• within specific marketing environment and marketing programme.

7 elements are therefore identified:
7 ELEMENTS

- Product
  - Quantity bought
  - Buyers group
    - Geographical area
    - Time period
      - Marketing environment
        - Marketing programme
“Marketing” means the whole of the choices an enterprise makes so as to:

- Define its role
  (market leader? Follower?)
- Define the products characteristics
- How to put them on the market

**The MARKETING’s TWO FACES**

Analytical Marketing

Decisional Marketing
ANALYTICAL MARKETING

• **DEMAND ANALYSIS**
  - Chosen sector analysis
  - Determine market share (in volume and value)
  - Buying behaviour analysis, both of the chosen market and consumers
  - Estimate current and future demand

• **OFFER ANALYSIS**
  - Competitors analyses
DECISIONAL MARKETING

• STRATEGIC
  - Enterprise role
  - Enterprise positioning
  - Product

• OPERATIVE
  - Communication
    Advertising
    Promotion
    Public relations
    Sales techniques
  - Sales point
  - Price
MARKETING MIX

• Marketing mix is the combination of all marketing variables

• The correct mix of such variables (called “LEVERAGE”) is a success source

• The most known marketing LEVERAGE is called …

The “4 P” in Marketing Mix
MARKETING MIX

**Product**
- Quality
- Characteristics
- Options
- Style
- Brand
- Packing
- Sizes
- Guarantee
- Possibility of returning

**Price**
- Official pricelist
- Discounts, memberships
- Payment conditions

**Promotion**
- Advertising
- Personal touch
- Sales promotion
- Public relations

**Point of sales**
- Coverage
- Location
- Stock
- Transport

TARGET MARKET
PRODUCT

Non-durable goods

Durable goods

Services
Price is the only marketing-mix element generating proceeds
<table>
<thead>
<tr>
<th>PRODUCT QUALITY</th>
<th>PRICE</th>
</tr>
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<tbody>
<tr>
<td><strong>high</strong></td>
<td>high</td>
</tr>
<tr>
<td></td>
<td>High price strategy</td>
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<tr>
<td></td>
<td>Net profit increase strategy</td>
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<tr>
<td></td>
<td>Speculative strategy</td>
</tr>
</tbody>
</table>
Mix of product quality & price
(continues)

- Generally speaking, the mix is not forever. On the contrary it might change along the year according to (examples):

  a) cash money needed in that particular period
  b) market penetration strategy (Fiat cars are selling the same model cheaper in some countries)
  c) policy of price-lowering for old model so as to give space to the new one (or export to developing countries)

To take into account: when retail sales are made by the trade, consider that sometimes discount given by the manufacturer will not be granted to the consumer.
Advertising is one of the four fundamental tools an enterprise utilizes in order to:

• transmit a persuasive communication to its buyers and to different kinds of targeted public
“Is your advertising effective?”

“Sure it is!
Last week we placed an ad in a newspaper, looking for a night watchman …

… and on the following night we were robbed!”
When drawing up an advertising schedule, 5 questions must be answered:

- What are the advertising goals?  (mission)
- How much can we invest?  (financial resources)
- What kind of message do we want to send?  (message)
- Using which medium?  (media)
- How do results have to be assessed?  (measurement)
SALES POINT

Under this heading we group all elements on which the enterprise can operate so as to make the product accessible and available for potential buyers.
4 P
(meant by entrepreneur)

1. Product
2. Price
3. (sales) Point
4. Promotional activities

4 C
(meant by customer)

1. Customer value
2. Cost
3. Convenience
4. Communication
The 6 MARKETING’s critical points

1. Enterprise looks at the client, and not at the market
2. Enterprise hasn’t sufficient knowledge of its target-client
3. Enterprise must define and better monitor its competitors
4. Enterprise is unable to detect new opportunities
5. Insufficient communication and brand-building skills
6. Enterprise hasn’t taken enough advantage of technology’s benefits
Enterprise looks at the **client**, and not at the **market**

1) Inaccurate identification of market segments
   - Make use of more advanced segmentation techniques: benefits, perceived value, fidelity

2) Inaccurate definition of market priorities
   - Give priority to the most important segments
   - Train skilled sales staff
The enterprise doesn’t know well its target-clients

1) The most recent customers analysis was performed 3 years ago
   - Perform a more accurate consumer research

2) We are not complying with the sales forecasts; our competitors are selling more
   - Make use of more analytical techniques
   - Create a customers and tradespeople panel

3) High level of returned goods and complaints
   - Review production and/or distribution
The enterprise must better define and monitor its competitors

1) Too much focus on the closest competitors, ignorance about the remaining ones

   ▪ Prepare offer packages similar to those of competitors

2) The enterprise does not dispose of a system for strategic informations collection

   ▪ Pay attention to all new technologies potentially harmful to enterprise

   ▪ Appoint a person who will be responsible for strategic informations
The enterprise is unable to identify new opportunities

1) Over the last period no promising opportunity has been identified
   - Create a system by which new ideas are suggested by stakeholders, partners, employees

2) Most part of new ideas launched by enterprise has not succeeded
   - Use of creative opportunities, so as to generate new ideas
Communication and brand-building abilities are insufficient

1) The target-market has little knowledge of the enterprise
   - Improve brand-building strategies; quantify relevant measurement

2) Our brand does not differentiate from others, is not considered as a better one
   - Resources transferral towards hi-effective marketing tools

3) Every year the communication budget is allocated to the same marketing tools
   - Check-up of returns guaranteed by the same; choice of and investing in the most promising
The enterprise hasn’t taken advantage of all possible technology benefits

1) The enterprise makes limited use of the Internet
   - Make greater use of Internet potentialities

2) The automation system is obsolete
   - Improve sales automation system

3) The enterprise hasn’t implemented any marketing automation
   - Make use of automation when taking marketing decisions
THEREFORE

knowing our weaknesses becomes a

STRENGTH

• The enterprise makes market segmentation, identifies the best segments, developing a strong leadership in any of them

• The enterprise knows who are its main competitors, their strength and weaknesses

• The enterprise develops systems in order to: identify opportunities, establish a priority order when selecting the most promising

  • The enterprise builds a strong brand, using communication and promotional tools

  • The enterprise undergoes a continuous technological improvement process