

Integrated Southern Africa Business Advisory (INSABA)

Marketing and Communication

Training Material for Work Package 2, Module 2 and Work Package 4, Module 2

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For InWEnt – Capacity Building International

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Marketing & Communication

Heinz -W. Böhnke
www.technosol.de
Gaborone, Botswana, November 23, 2006


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American Marketing Association 1948

„ Marketing is the completion of all company functions, which steer the stream of goods and services from the producer to end consumers and customers.“



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General trends in history of Marketing

50-ties “Dog bone Marketing”
Production oriented Main sentence: The product is everything, what the customer needs and gets. Focus: to secure the distribution

60-ties “Eye of a needle Marketing”
Sales oriented Main sentence: We sell, what we produce. Focus: with orientation towards trade and first market concepts


70/80-ties “Strategic Marketing”
Customer and competition oriented Main sentence: We produce, what can be sold.

90-ties “Integrated Marketing”
market oriented (entire view) Main sentence: We sell first and then we produce e.g. always in expensive furniture business

> 90-ties “Market-Engineering Marketing”
Customer earning-rate orientation Main sentence: We establish adding value partnerships with those customers who accounts to a positive earning-rate .

Up to date tendencies:
Integration and mutual partnerships co-operation on different levels and with new sectors



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MARKETING INSTRUMENTS

MARKETING

P_{roduct} P_{lace} P_{romotion} P_{rice}

- **Product Policy**
- **Distribution Policy**
- **Communication Policy**
- **Contract Policy**





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THE FOUR COLUMNS OF MARKETING

MARKETING-MIX

| PRODUCT POLICY | DISTRIBUTION POLICY | COMMUNICATION POLICY | CONTRACTING POLICY |
|--|---|--|--|
| Quality Design / Style Brand name Packaging Service / Warranty | Sales channels Scope of marketing Transport / Storage | Sales promotion Public relations Personal selling Advertising | Price policy Terms of supply Terms of payment Policy on discounts |



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PRODUCT POLICY

- Quality
- Identification
- Design / Style
- Product / Brand name
- Packaging
- Service / Warranty

Product Policy ← MARKETING

- **Quality ...** quality adapted to the demands of the customer.
- **Identification ...** is sometimes legally prescribed.
- **Design/Style ...** must please primarily the buyer, not the manufacturer.
- **Product/Brand name...** must represent the product and can be a quality feature.
- **Packaging ...** must not only be protection, but also function as an advertising tool
- **Service/Warranty ...** provide additional incentive to buy.

Product policy includes everything that is done to the product to make it more attractive to the buyer. The central issue is: What services and what problem-solving solutions are to be offered to the market



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COMMUNICATION POLICY

- Sales Promotion
- Face to Face Sales
- Public Relations
- Advertising

Communication ← MARKETING

- **Sales Promotion ...** brings the product to the buyer
- **Face to Face Sales...** creates customer relationship
- **Public Relations ...** creates positive image for the company
- **Advertising ...** brings the buyer to the product

Communication policy includes all measures that create a relationship between supplier and potential buyer at a personal level, ultimately to result in a purchase.
Central issue is: What measures to inform and influence should be undertaken to sell products or services ?

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DISTRIBUTION POLICY

- Sales channels
- Scope of market
- Transport

Distribution Policy ← MARKETING

- **Marketing Channels ...** determine the types and channels of marketing (marketing depth)
- **Scope of Marketing ...** determines the number of buyers to be supplied
- **Transport, Storage ...** serves to bridge space and time

Distribution policy includes all measures undertaken to bring the product from the manufacturer to the consumer.
Central issue is: who should take the product to the customer and by what means ?

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CONTRACTING POLICY

- Price Policy
- Conditions of Supply
- Terms of Payment
- Discount Policy

Contracting Policy ← MARKETING

- **Price Policy** determines sales prices, taking into account costs and demand
- **Conditions of Supply....** define transfer of risks, handling commitments, etc.
- **Terms of Payment** determine the time and mode of payment for the buyer
- **Discount Policy** defines special price discounts (quantity discount, introductory discount, loyalty discount, cash discount)

Contract policy includes all measures relating to sales and the transfer of money.
Central issue is: at what conditions should services and goods be offered on the market ?

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MAJOR CHALLENGE WHEN PENETRATING NEW MARKETS

```

    graph TD
      A[Errors in Market Analysis  
- outdated or incorrect information  
- misjudgement of sales potential] --> B[Inadequate Adaptation to Market  
- using similar concepts for different markets  
- lack of flexibility]
      A --> C[Insufficient Personal Contacts to Markets  
- lack of closeness to the customer  
- "marketing from the armchair"  
- mistakes in partner selections]
      B --> D[Mistakes in Price Policy  
- prices are not market oriented  
- no price negotiations]
      C --> D
      D --> E[Inadequate Organisation and Handling  
- slow replies to correspondence  
- unreliability regarding delivery volumes and product quality  
- delays in delivery  
- lacking loyalty to customers]
      E --> F[LACK OF PLANNING AND LONGER-TERM OBJECTIVES]
    
```

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SEQUENCE OF PENETRATING NEW MARKETS

```

    graph TD
      A[Promotion of Producers] --> B[Identification of Promising Target Markets]
      A --> C[Identification of Promising Products and Services]
      B --> D[Analysis of Market Potential]
      C --> D
      D --> E[Formulation of Market Entry Strategies]
      E --> F[Promotion of the Companies/Institutions]
      E --> G[Promotion of the Products/Services]
      F --> H[Establishing Contacts with New Customers]
      G --> H
      H --> I[Organisation and handling of Sales]
      I --> J[Private/public Institutions]
      I --> K[Companies/Institutions]
      J --> L[Remarks:  
The continuing arrows indicate that these activities must be sustained to secure the market position of companies/institutions.]
      K --> L
    
```

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Main characteristics of **Strategic Marketing**

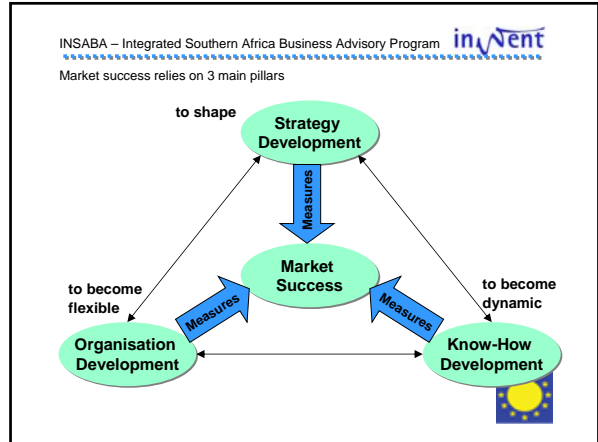
STRATEGIC MARKETING -


- requires a systematic analysis of market, competitors and customer as well as agreement about the strategic position of the company
- to recognise, develop but also communicate own strengths in market and competition surrounding
- to strengthen innovations and decisive competition advantages
- strategic goals stand in a reasonable relation to implemented resources and are attuned to each other

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Strategic vs. Operative


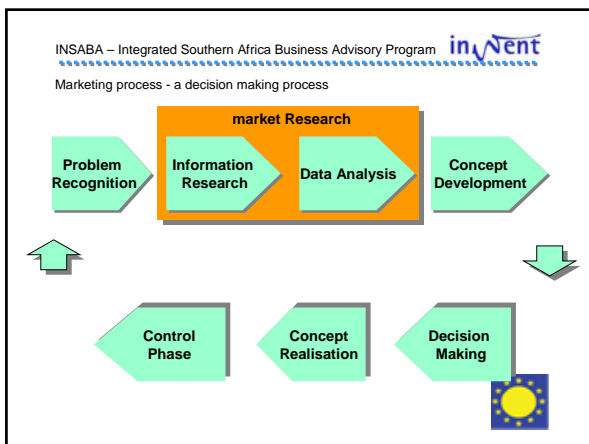
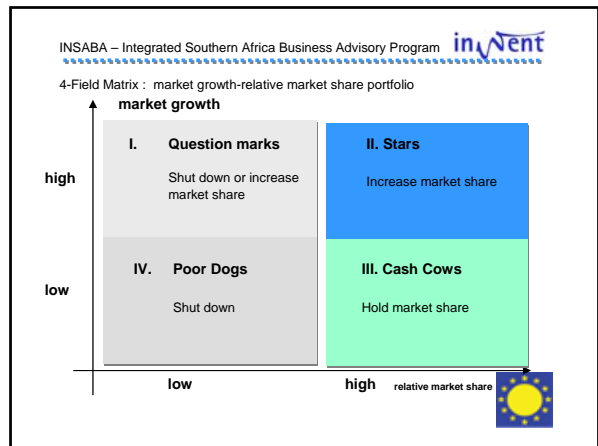
| Strategic Marketing | Operative Marketing |
|---|--|
| <ul style="list-style-type: none"> goal-shaping External / tomorrow-orientation locates success potential success is being measured by market penetration change management focus on strategic business sectors success mostly shows long-term false decisions hard to correct degree of insecurity high | <ul style="list-style-type: none"> goal-executing Internal / today-orientation realizes success potential success is being measured by balance sheet relations routine focus on function success shows short-term false decisions short-term correctable degree of insecurity low |





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General steps during an Analysis

- Definition of the exact field for analysis**
*Do we need to analyse all sectors or only some of them?
Which importance do the different sectors have for our company?*
- Decision about relevant factors, criteria and determinants**
vz. check lists
- Analysis and Evaluation of each criteria**
with help of quantitative and qualitative data and data of experience. The results will be used in SWOT-analysis and prognosis of future developments.
- Interpretation of found data summing up to core statements**
This will be used to define strategic challenges and directions.
- Visual Presentation**
communicate analysis results clearly and with different visual tools.






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COMMUNICATING THROUGH VISUALISATION


- transmission and exchange of information are part of the basic needs of human beings.
*This process – i.e. the transmission and exchange of information and messages - is called **communication**.*
- Why is it important to visualise something....?*

- ...because we human beings absorb information visually*



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 ELEMENTS OF AN EFFECTIVE PRESENTATION


- **System**
 - Who - who is my audience?
 - Why – my objective is?
 - What - what content?
 - How – structure, technique, media/tools
 - Who - is best qualified for the job?
 - How - much time do I have?
- **Structure**
 - Introduction
 - Main body
 - Conclusion




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 ELEMENTS OF AN EFFECTIVE PRESENTATION


- **INTRODUCTION- explanatory opening**
(Tell your audience what you are planning to say)
 - Establish contact with audience (welcome, introduction of oneself and others if necessary)
 - Create "good atmosphere"
 - State and visualise your subject
 - Clarify objective
 - Explain procedure / structure
 - Fix a timeframe
 - Establish rules
 - Solicit understanding and approval from audience




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 ELEMENTS OF AN EFFECTIVE PRESENTATION

- **MAIN BODY - stimulating main part** *(Say it)*
 - Present contents clearly and straightforward ("KISS method": Keep It Small and Simple)
 - Visualise difficult contexts
 - Seek to make eye contact with all members of the audience
 - Emphasise advantages / benefits
- **CONCLUSION - final summary**
(Summarise what you have said)
 - Repeat main points
 - Open round discussion if appropriate
 - Appreciation and good-bye



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 ELEMENTS OF AN EFFECTIVE PRESENTATION

- **Media**
 - Written documentation
 - Overhead projector
 - Flipchart
 - Pin-board
 - Computerised presentation
 - Photo presentation
 - Slide show
 - TV/video
- **Tools**
 - Business cards
 - Company brochure (incl. personal and company profile/references)
 - Samples
 - Corporate gift
 - Financial records (personal and company)
 - Business plan / Feasibility study



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Presentation Techniques

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 Presentation Techniques

- **Business Presentations** generally contain three elements
 - **YourselF:** Background, experience, vision > **You are reliable**
 - **Your Offer:** Product, business concept, project scheme, partnership, investment > **You know your job**
 - **Your Price:** Cash, financing, viability > **You deserve the money**



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Presentation Examples

- **Bank Presentation**
 - Yourself: Background, experience, vision
 - Your business concept, customers, products, distinction
 - Your capital demand, justified by a business plan (Probably collateral)



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Presentation Examples

- **Project Presentation**
 - Your project scheme, goals, target group
 - The impact: Situation now and then
 - Your budget, a simple business plan showing cost and sustainability
 - Yourself: Background, experience, vision



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Presentation Examples

- **Product Presentation**
 - Your product offer
 - The impact: Situation now and then
 - Your Price: Cash, financing, viability
 - Yourself: Background, experience, vision



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Fairs and Exhibitions as Marketing Instrument

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Business Communication

Sell Yourself !
The Iceberg principle:
A **Decision is 90% emotion, 10% fact**

- **Be credible**
- **Pull is better than push**
- **Look at the advantage from the client's eyes**
(Time saving, problem solving, prestige, safety, comfort, health, modernity)



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Business Communication

Business Communication

- **Business communication is pleasure!**
- Iceberg principle: **Decision 90% emotion, 10% fact**
 - Language (verbal communication) :
Choice of words, Volume, Speed, Tone of voice
 - Body language (non-verbal communication)
Eye contact, Facial expression, Posture, Hands
 - Dress code
 - Adaptation to culture



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 Business Communication

Contact Media

Flyers, Brochures, reference, articles

- **A-ttention (Line of reading)**
- **I-nterest (understand, see advantage)**
- **D-esire (be credible, humble)**
- **A-ction (next steps)**

Press articles, radio, website



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 Business Communication

4 phases of business contact:

- **Bridging** - easy: this is good for both of us
- **Assessing** - facts, closed questions
- **Solving** – prove customer’s benefit
- **Selling**- watch signs, offer “or”, what else
- **you don’t sell the price, but the value**




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Fairs and Exhibitions

- Organisation planning and time schedule
- Costs of preparation / participation
- Design of booth / product presentation
- Following-up contacts
- Analysis of results




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 Trade Fair

- T **The...**
- R **Real...**
- A **Adventure...**
- D **Demonstrating..**
- E **Examples...**

- F **For...**
- A **Additional...**
- I **Income...**
- R **Reputation...**

Trade fair is the real adventure of demonstrating your product examples for generating additional income and reputation.



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 Exhibition

- E **Exhibiting...**
- X **X-raying...**
- H **How...**
- I **Interesting...**
- B **Business...**
- I **Ideas...**
- T **Turn...**
- I **Into...**
- O **Opportunity...**
- N **Net- Profit...**

Exhibition is the act of exhibiting and x-raying as to how interesting business ideas turn into opportunity and help increase the volume of net-profit.



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Thank You
 for Your
 Attention

