



FORGING ROI



STAGES OF EFFECTIVE PLANNING

• **Where are we now?**

• **Where do we want to go?**

• **How do we get there?**

A. Situation Analysis:

Careful examination of present situation.

B. Marketing Objectives:

Desired goals within company/product.

C. Strategy and implementation

A determination of the best means of reaching the objectives.



SITUATION ANALYSIS:

(Usually covers five areas).

• **SALES TRENDS**

Individual product sales figures, both in units and dollars

• **PREVIOUS FORECASTS versus PREVIOUS PERFORMANCE**

Review of success of past planning. Determination made in both sales and profits.

• **MARKET SITUATION AND COMPETITIVE ENVIRONMENT**

Present economy and other in marketplace. Competition may be direct or indirect.

• **PROBLEMS AND OPPORTUNITIES**

i.e. Economy or too many competitors opportunities is a potential solution.

• **PLANNING ASSUMPTIONS AND CONSTRAINTS**

Unmeasurable risks that come into the planning of marketing strategy.

PROMOTION IN MARKETING STRATEGY

Promotion encompasses:

- ADVERTISING
- PERSONAL SELLING
- SALES PROMOTION
- PUBLIC RELATIONS

The purpose of Promotion is to: Inform and Persuade

Promotion is the communication aspect of Marketing.

Divisions of Promotion

1. Advertising is a promotion method designed to reach a mass audience.
2. Personal selling-is individual or small group selling by one person.

SALES PROMOTION:

Compliments advertising and personal selling.

(Sales promotion includes various selling efforts such as;

- CONTESTS
- SWEEPSTAKES
- PREMIUMS, which are actual products or services offered as an incentive to buy other products or services
- PRICE INCENTIVES
- STORE DEMONSTRATIONS
- STORE DISPLAYS
- DEALER COOPERATIVE ADVERTISING (CO-OP)



TYPES OF APPROACHES TO PROMOTIONAL BUDGETING

1. Percentage of Sales:

Most popular, simple.

2. Unit of Sale:

Budget determined by the number of units sold or expect to be sold.

3. Competitive parity:

What is the competition doing.

4. All Available Funds:

All you can afford, Determined after all other unavoidable investments and expenses have been allocated. (The logic or 2. Personal selling-is individual or small group selling by illogic of this method can be debated) one person.

5. Task-Objective

Method: Set desired objectives develop a strategy to accomplish goals. Example: Reach 70% of the target group an average of 4 times per month. This model has been determined based on past sales goals and projected estimates needed to successfully build additional traffic flow to achieve sales goal.

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Strategy and Implementation

1. Schedule:

- a. Sales Promotion
- b Advertising

2. Budget:

- a. Price Reductions
- b. Advertising

ADVERTISING BUDGETS

- (%) Percentage of Sales
- Competitive Parity
- Unit of Sale
- All Available Funds
- Task Objective

3. Branding Strategy:

Is a plan for mainly getting product identification

i e Name

Sign

Design

Symbol



RANK: PRICING GOALS

- Satisfactory return on investment
- Maintaining a market share Meeting a specified profit goal*
- Largest possible-market share
- Profit maximization
- Meeting a specified sales goal
- Pricing at the high end of the price range
- Meeting Competition
- Highest return on investment
- Prices set at a high level and then lowered after a certain period has elapsed.

EXTERNAL FORCES IN PRICING

- Market demand for product
- Competition (What are they charging)
- Suppliers
- Buyers
- Economic Conditions

Competitive pricing-

One of easiest pricing strategies Business base their own price on competition

Market position-

Is a strategy for creating a unique product image (Examples)

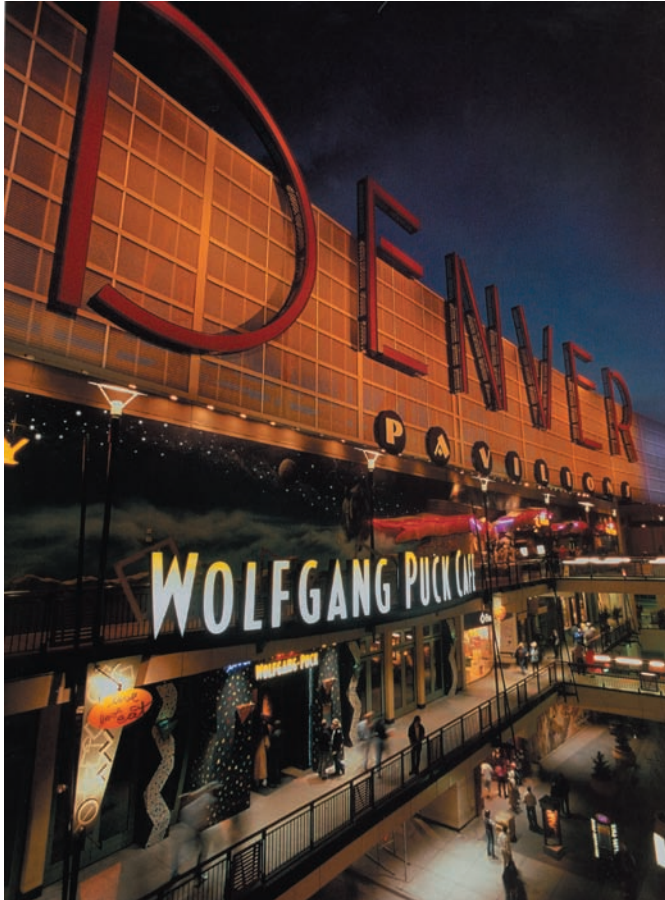
- 1 Service
- 2 Price
- 3 Location
- 4 Selection (Variety)
- 5 Convenience

DETERMINANTS OF CONSUMER BEHAVIOR

Sociocultural Factors, Group Factors, Psychological Factors

Culture Family Motivation
Social Class Reference Groups Learning
Opinion Leadership Attitudes
(Word of Mouth) Personality

CONSUMER SUBDECISIONS



TO BUY CHOICE OF

WHAT?

- Product Category
- Brand (National, private)
- Habit (Usual, New)
- Model (Features, styles)
- Quantity
- Related Services (Delivery, repair contract, education)

WHERE?

- Location (Downtown, suburbs)
- Distance (Local, travel)
- Store (Department Store, Discount House)
- Non-Store (phone, catalog, mail)
- Habit (usual, new)

WHEN?

- Certain Days (regular price/sale)
- Time of Day
(Busy hours, off hours, time of year, seasonality)

HOW?

- Time (one stop, several stores)
- Payment (cash, credit)
- Terms (as is, bargain for) Advice
(place order, seek information)
- Service (self-service, salesperson)