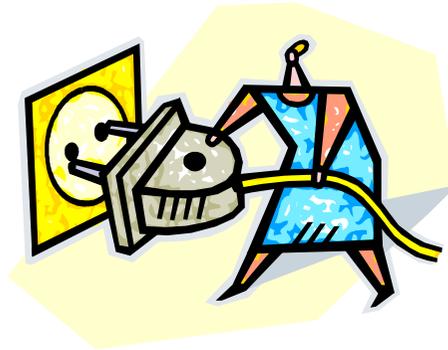

Products and Markets

By Nick Vitchev

Training Programme supported by the Strategic Programme Fund (SPF) - formerly the Global Opportunities Fund of the United Kingdom's Foreign and Commonwealth Office

Without a customer you have no business



What information you need to include in a business plan

✓ Factors affecting demand

-Products

-Pricing

-Market and Business environment

-Competition



Products

✓ **Description of products and services**

-How they work

-What is their use



Pricing and cost

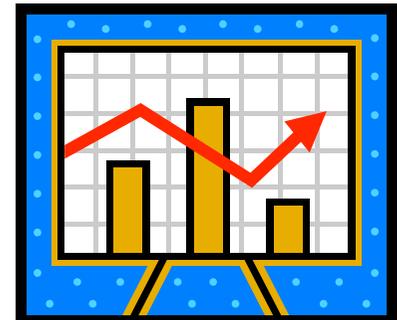
Price is the one factor which directly influences profit so the right pricing strategy is crucial.



Pricing and cost

3 ways of determining price:

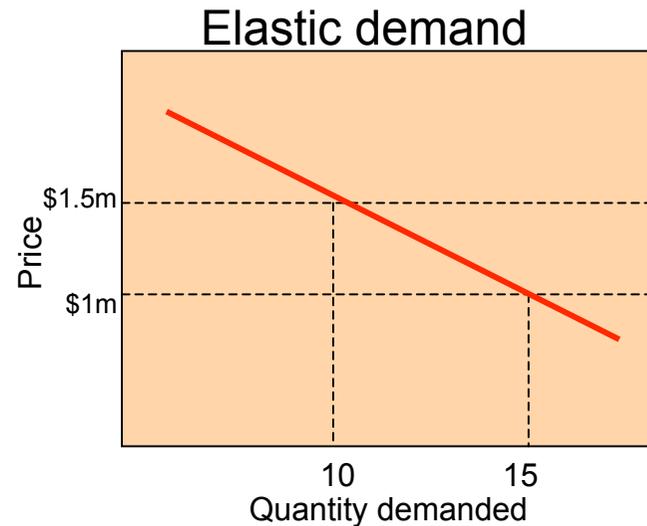
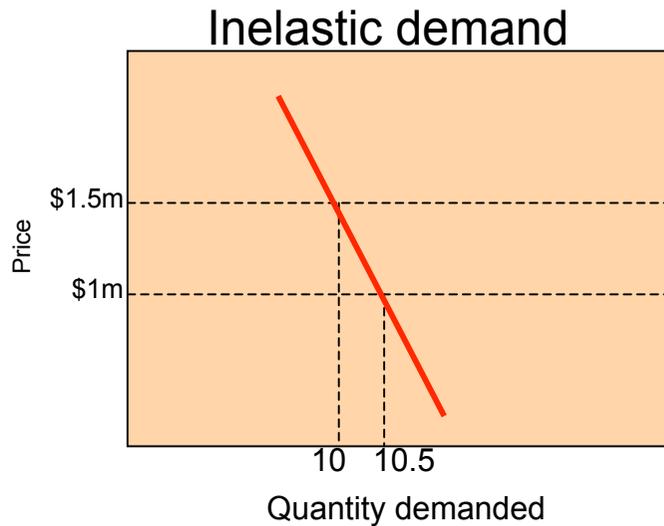
- Cost plus
- Competitors' prices
- Market led pricing



Pricing And cost

Price elasticity:

$$= \frac{\% \text{ change in quantity demanded}}{\% \text{ change in price}}$$



Will impact your profitability!

The Market

✓ What to consider in the Market

- Business environment
- Make up of market
- Strength of suppliers
- Strength of buyers
- Barriers to entry...
- And exit!



Markets

✓ Rarely one product serves the whole market!

-Need to segment market

-And vary offering for each segment, e.g.:

-Different age range

-Different income

-Different tastes



Products and Markets

✓ More than one product/market



Products and Markets

✓ Customers' characteristics

-Core benefit to specific needs – how can you meet those needs better

-Geographical profile (if applicable)

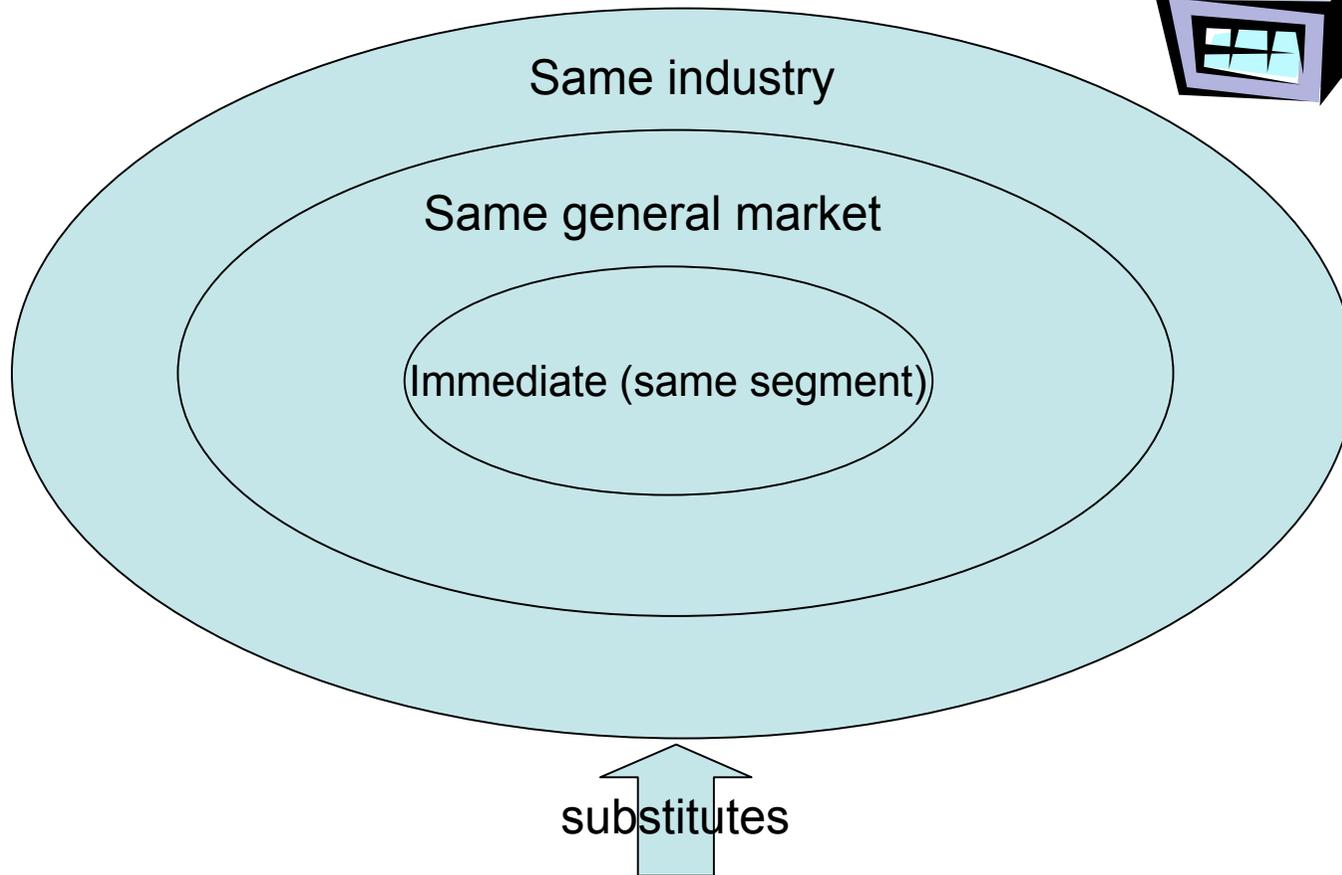
-Demographics

-Decision makers

-How to approach them?



Competition



Competition

Analyse:

- Their strategy
- Their objectives
- Strengths
- Weaknesses
- Likely reaction (long term/short term)



Unique Selling Point

Why will buyers chose your product over the competition?

Can be:

- Geographical
- Price/Value
- Quality
- Service
- Brand/Image
- Through association

Unique Selling Point

Thank you

Any Questions?