

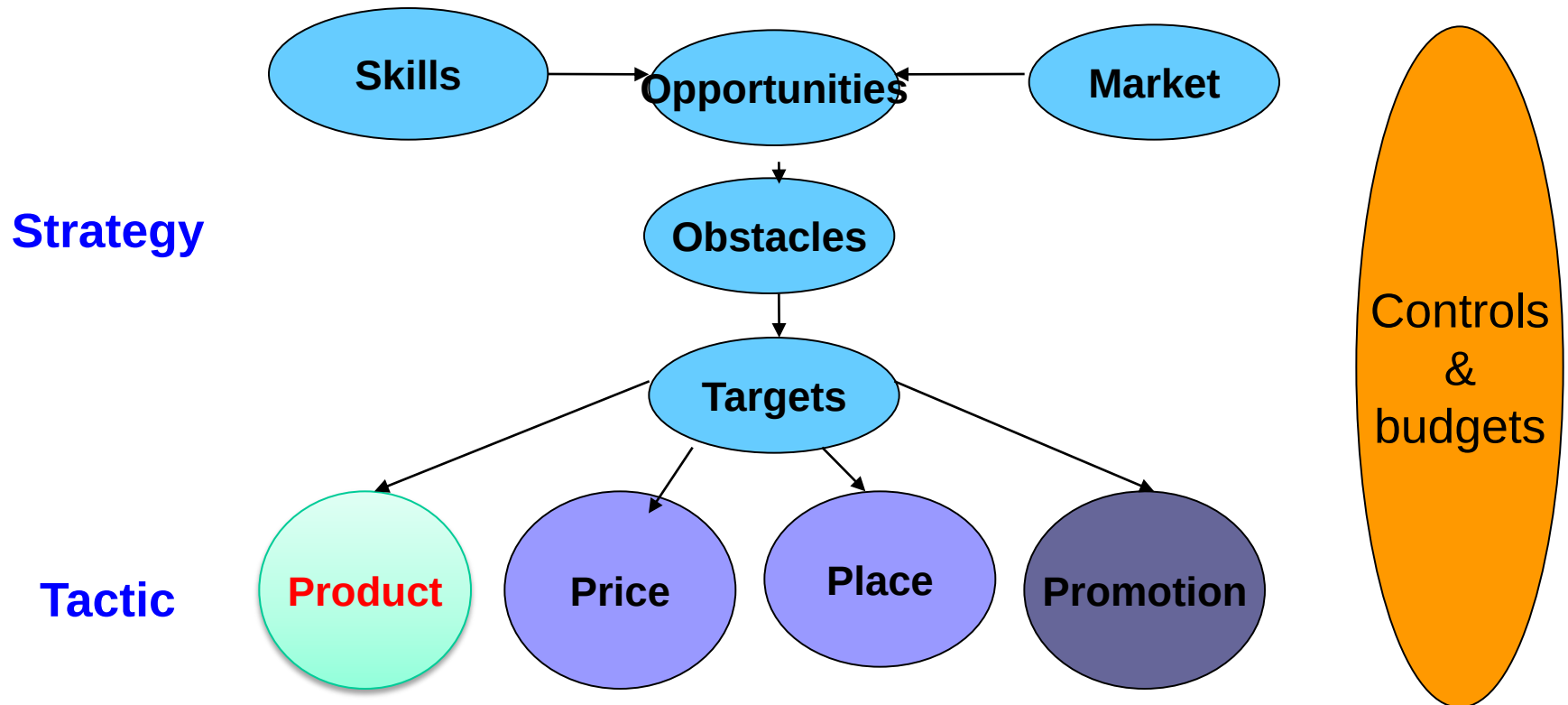
MODULE 2 SALES TACTICS : MIX MARKETING

SESSION 1 : THE OFFER

Purposes of this session

 *Key principles to develop the company's offers*

PRODUCT MARKETING BENEFITS



What your product/service is about,
and what it is not?

 What is unique? Better?

Do not hesitate to present your product or service with diagrams,
drawings for a better understanding.

RANGE = OFFER STRUCTURE

Example

Brand Level 1	Pitch elevator Designation	Slogan	Brand Level 2	Pitch elevator Designation	Slogan	Brand Level 3	Pitch elevator Designation
806	A car for a family		...				
...							
308	...		SW				
			CC				
207			SW	...			
			CC	Convertible car		Options 1, 2, etc	Electric pack, etc.
107	A city car						

Stage of Development

Describe briefly the current status of your product/service

➤ The **life-cycles** of your product/ service:
How long time will it last at customer's place?
How long time before to be overtaken by competition?

➤ Is it **ready** for market or in **development**?

➤ **How long** it will take to get **available** the product/service?

➤ What are the **obstacles** for the development?

P1 : DEFINE MAIN FEATURES OF YOUR PRODUCTS / SERVICES

In other words define the specification sheet of each offer:

For a car, as example:

Express it by first a list of **benefits**:
Comfortable, secure, cost saving

Then write the **characteristics**:

- Size, weight, how many seats,
- Airbag, speed,
- consumption, etc.

SPECIFICATION SHEET STRUCTURE

Brand + slogan + pitch elevator

Benefits offered

Which customer's problem is solved
+ what are your competitive advantages ?

Characteristics

Product: Mains features, technical information

Service: Detail of service provided

P1 : Think about the way you should really suit the product to needs

➤ Your offers must be clearly **structured** (range) & **specified** (specification sheet)

➤ Add to your offers range, eventual appropriate **attached services** (option, maintenance, etc.)

Offers: Define

1. Range structure + option and attached services
2. Specification of your main offers

Session 2 Price

MAIN STEPS FOR A BP



SESSION 1: « MARKETING PRICE – P2 »

Purposes of this session

- *How to choose a good business model*
- *Set-up and adjust prices*

Pricing principle:

Products: lump sum, rental => per day, per hour,,
subscription,

Services: idem + success-fees, etc.

Via web: idem+CPC (Cost per click), CPM (Cost per
Mille)

CPL (Cost per lead), etc.

Various elements to establish a price:

👉 Price impact on sales quantity:

A too high price might lower the consumption.

👉 Psychological pricing :

Most people see the price as an indicator of quality:

Luxury goods are expensive, so they have a very good quality

Psychological effect of price points: 9,99€, 29,90€...

👉 Price impact on retailers' behaviours toward the product

PRICING ACCORDING TO COMPETITORS' PRICES

There are 3 main types of pricing policy:

➤ **Skimming policy:**

A new product is expensive in order to get high profits.

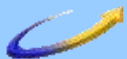
It remains expensive compared to its competitors, which stay at the top of the range (ex : Nespresso)

➤ **Adjustment policy** : adjusting the price to competitors' one in order to get the same positioning in consumers' eyes.

➤ **Penetration policy** : an attractive price might enable the product to break into a market and to make high sales volume.

SUMMARY

P2 : The « Price » should be defined according to the market and, obviously, to the manufacturing costs.

 **Choose your pricing principles:**

 **Set the price tables integrating variations**

ACTION PLAN 2

Define your 3 steps:

1. Business model(s):

**How many possibilities to price your offers
(time spent, lump sum, etc),**

which ones to keep?

**1. Which strategy: Skimming – adjusting
penetration => Price level**

justify why

3. Price variation: $\text{Price} = f(\text{? Which parameters})$

Session 3

Sales tactics - Place

MAIN STEPS FOR A BP



SESSION 2 : BUSINESS PARTNERS « MARKETING PLACE – P3 »

Purposes of this session

How to contact my customers:

 *Direct*

 *Indirect: select my partners?*

P3 : « PLACE » TRADING TOGETHER WITH PARTNERS?

Place =

Direct sales

+ Indirect sales: trading together with partners)

➤ Which **network** I have to choose, to **sell** my goods and services?

➤ This is NOT, where you want to sell

DIFFERENT LEVELS OF INVOLVEMENT

Partner's Type	Talk about you	Bring a contact	Business Meeting	Bring an order	Integrate your offer	Sell & manufacture your offer
Influencer	x					
Business provider	x	x				
Agent	x	x	x			
Retailer	x	x	x	x		
VAR	x	x	x	x	x	
OEM	x	x	x	x	x	x

DIRECT CHANNEL

Advantages

- More profits on each sale.
- Direct information allowing both marketing strategy and logistics improvements
- Stronger (most of time) salesclerks' technical skills
- A stronger authority of the company for its priorities respect
- Easier to manage

Drawbacks

- Retailers might prefer their own interests over yours
- **Less access to numerous end users**

➤ He spots out a need, and the most of sales is yours.

Advantages	Drawbacks
➤ He is usually paid over a percentage of the sales ➤ Sometimes, (not usually) he is paid over a basic amount +a commission	➤ Non monitored partner ➤ Often not motivated ➤ He usually acts like an opportunist

Influencer+ helps you fixing appointments and lobbying.

Advantages	Drawbacks
➤ He usually gets a commission on the sales (percentage of the total amount). ➤ He sometimes gets a basic revenue+ a percentage ➤ Sometime easy and quick to implement, cheaper than recruiting Can be useful to attack a new market	➤ The agent does not perform the sales ➤ Working very independently, the agent might quickly change his behaviour with the supplier

RETAILER

All sales done by retailer:
He brings an order form, not a single request

Advantages	Drawbacks
➤ Uses various means and extra services: logistics, communication campaigns... ➤ Local network: stability and close to recurrent customers.	➤ Most of time: Non exclusivity ➤ The retailer will quickly stop selling a product that is not well sold

COMBINING INDIRECT & DIRECT CHANNELS

Advantages	Drawbacks
➤ Several channels adapted to each product/segment pair => Better business efficiency. ➤ Quick response to a changing purchasing behaviours	➤ Hard to run (management, widespread resources...) ➤ Risk of a conflict between the various channels

INTERNET : A RETAILING NETWORK

Advantages	Brakes
<u>Customers' advantages</u> ➤ Possibility to get information and buy anytime, day and night ➤ Time saving ➤ Convenient ➤ Discret ➤ Possibility to purchase some goods that are not available except on the internet ➤ Easier to compare prices and goods	Requires: ➤ A strong brand + lot of commission ➤ Ok if cheap goods, or with no vital issue for customer If multiple canals: Fair rules in retailing channels: the company
<u>Suppliers' advantages</u> ➤ A better market coverage ➤ More Sales ➤ Benefits of a direct relationship with customers ➤ Offer new services to customers	

SUMMARY

“P3”

- **Take advantage of your partners as far as possible: They will bring you contacts or orders with new prospects.**
- **Define the partners segments with complementary skills**

ACTION PLAN 3

1. In which segments of companies could be my partners?

Example: I sell forks, a partner could be a knife manufacturer

2. What will be the pricing policy with them:

2.1 Which business models? Ex: Fixed + commission ?

2.2: Price or commission levels?

Session 4

Sales tactics - Promotion

MAIN STEPS FOR A BP



YOUR COMMUNICATION « MARKETING PROMOTION – P4 »

Purposes of this session

 *Which communication?*
Especially with a low budget

ADVERTISING COMMUNICATION

It is meant to sell on a short term and it is mainly split in 2 ways:

 medias :

 Cinema.

 Television.

 Radio.

 Street displays.

 Press.

 Internet.

Except Internet, these advertising medias are not suited for a low communication budget.

Applied to customers, potential customers or partners

- Newsletters
- Breakfasts, lunches, dinners or cocktail parties
- Journeys: invitations in a friendly context
- Group visits : factory, visiting another customer, etc...
- Goods testing
- Showrooms
- Christmas wishes.

Exhibitions:

- On a booth (costly)
- Sharing a booth with other companies (partners): many advantages
- Meeting, as a visitor



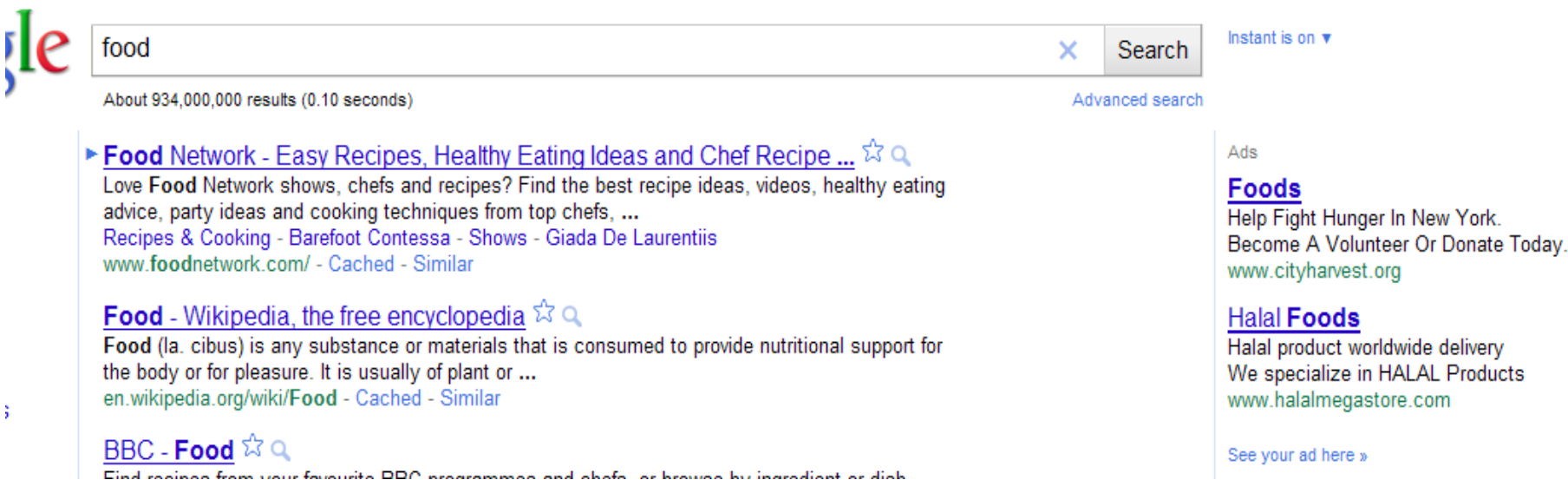
SHORT TERM ROI COMMUNICATION

Internet : good quality/price ratio.

Example , Google:

➤ Display priority based on auctions.

➤ Google charges its advertising ADWORDS, per click



The screenshot shows a Google search for the word "food". The search bar contains "food" and the "Search" button is visible. Below the search bar, it says "About 934,000,000 results (0.10 seconds)". The first organic result is from Food Network, titled "Food Network - Easy Recipes, Healthy Eating Ideas and Chef Recipe ...". The second organic result is from Wikipedia, titled "Food - Wikipedia, the free encyclopedia". The third organic result is from BBC, titled "BBC - Food". On the right side, there are two advertisements: "Foods" from cityharvest.org and "Halal Foods" from halalmegastore.com.

Search results for "food":

- Food Network - Easy Recipes, Healthy Eating Ideas and Chef Recipe ...**
Love Food Network shows, chefs and recipes? Find the best recipe ideas, videos, healthy eating advice, party ideas and cooking techniques from top chefs, ...
Recipes & Cooking - Barefoot Contessa - Shows - Giada De Laurentiis
www.foodnetwork.com/ - Cached - Similar
- Food - Wikipedia, the free encyclopedia**
Food (la. cibus) is any substance or materials that is consumed to provide nutritional support for the body or for pleasure. It is usually of plant or ...
en.wikipedia.org/wiki/Food - Cached - Similar
- BBC - Food**
Find recipes from your favourite BBC programmes and chefs, or browse by ingredient or dish

Ads:

- Foods**
Help Fight Hunger In New York.
Become A Volunteer Or Donate Today.
www.cityharvest.org
- Halal Foods**
Halal product worldwide delivery
We specialize in HALAL Products
www.halalmegastore.com

SHORT TERM ROI COMMUNICATION

Mailings :

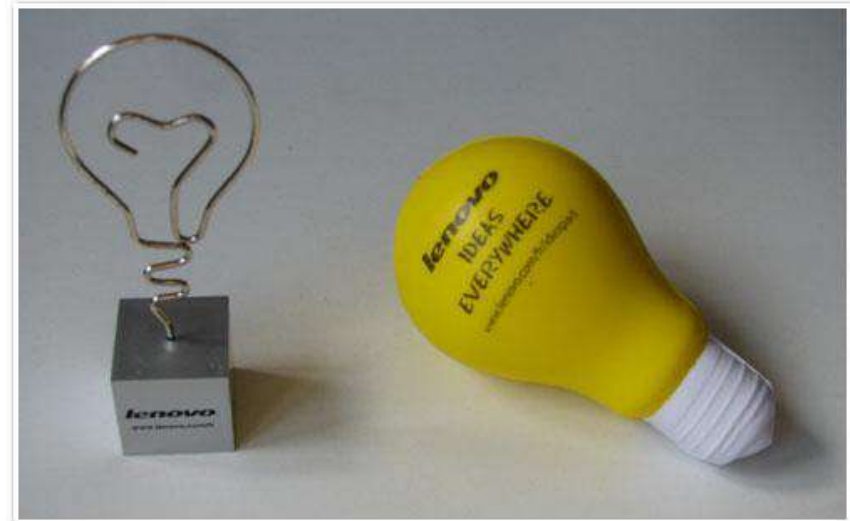
 Electronic : the cheapest.

 Paper mails: the best return rate, but the most expensive. Colour prints brings +/- 7 times better than B/W.

 Bus-mailing.



GOODIES



CHRISTMAS & NEW YEAR EVE WISHES



CHOOSE YOUR COMMUNICATION with EXPECTED RETURN ON INVESTMENT

You should imagine the pay back for each € involved.

Example :

*1 mailing **fax** to 1000 potential customers costs 100€ (communication + the time spent)*

 ***1 to N : 1 %** of incoming calls bring me 10 demands.*

 ***1 to 1:** 1/3 of them(3) are turned in customers, which bring me 1000€ turnover that is a 200€ profit (20%)*

 *This operation brings twice more than amount spent*

$$\Rightarrow \text{ROI} = 2 \text{ (Profit / cost)}$$

ROUGH ESTIMATE OF CONVERSION RATES

Mass communication: (*Ex mailing **fax***)
to **N** (*Ex: 1000 potential customers*)
costs “x” € (*communication purchase + time spent*)

➤ **1 to N : 1 %** of incoming contacts bring me “y” demands.

➤ **1 to 1: 1/3** of “y” are turned in customers,

YOUR COMMUNICATION PLAN

Communication type (media)	Offer concerned by each communication	Communication periods	1. Cost: time, + € 2: Which potential revenues 3 => Which ROI (return on Investment)
Ex : an e-mailing	Product 1	January	
newsletter	Product 3		
Customer success stories	Wishes: new year, christmas		
Paper		December	

**P4 : Build your communication plan.
(Communication 1 to n)**

**To be included separated table to calculate
ROI**