

MARKETING MANAGEMENT – PART TIME 2019

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ANSWER SHEET

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DECLARATION OF OWN WORK.

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EXECUTIVE SUMMARY

This project looks into the the product that we designed for the Botswana's environment and how it would feature in a well developed and very wealthy area called Sandton. I compare the product that was lauched in our group assignement in the Country of Botswana and how I think it would adapt and develope in Sandton. In Botswana we looked to launch packages of mobile, tv and internet service provision into a market that is under developed in terms of Technology and lacks financial capacity. This product is perfect for the nation of Botswana as it save people money when they bought the packages. This meant people were brought together and it also helped educte them on the advancement of technolgy in the world.

This though is very different for the marketing area of Sandton that is very developed in the technological field and has more wealth than any other area in Africa. You cant promote obsolete products or items and hope the market buys into them. In Sandton you would need to innovate new technologies of mobile, tv and internet as this is what the buying power will buy into. This would take years and expertise that I don't have.

The alternative product that I felt would be suitable for the Sandton market is on-line web purchasing. The infrastructure and technolgy is already laid down and by utilising this platform we can sail with our product without developing new technologies and structures. We can develop a website and web page that a customer can utilise to purchase any item or many items they personally require. We would deliver this product. Pricing would include our margin and delivery to the customer who is paying for a product and service and higher price but without the stress and worry. This free's up family time that is already limited in this area.

INFOGRAPHIC ON SANDTON

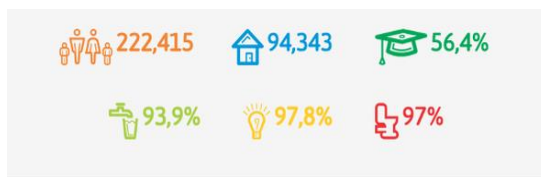


Fig 1. Stats on Sandton

Group	Percentage
Black African	34,7%
Coloured	2,5%
Indian/Asian	11,1%
White	49,8%
Other	1,9 %

Figure 2. Race demographic of Sandton

Item	Yes
Refrigerator	90,8%
Electric / Gas-Stove	93,6%
Computer	70,6%
Satellite Television	69,1%
Motor Car	77,8%
Television	93,3%
Radio	80,6%
Landline / Telephone	48,6%
Cellphone	97,8%

Fig 3. Stats on use of Equipment

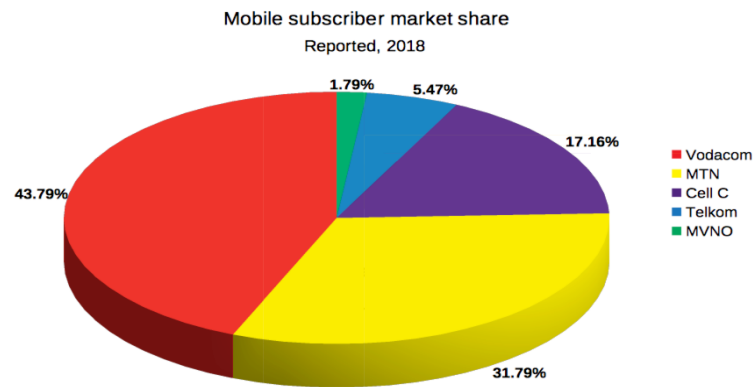


Fig 4. Market Share of Mobile Companies in SA

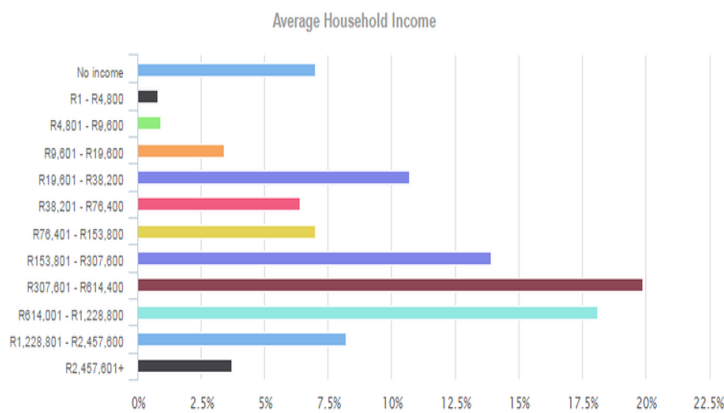


Fig 5. Ave. Income per household in Sandton

Age	Males	Females
0-4	3,70%	3,50%
09-May	2,80%	2,70%
14-Oct	2,40%	2,40%
15-19	2,30%	2,20%
20-24	3,30%	3,60%
25-29	5,90%	6,50%
30-34	5,70%	6,20%
35-39	4,80%	5,20%
40-44	3,80%	4,30%
45-49	2,90%	3,50%
50-54	2,50%	3,30%
55-59	2,20%	2,90%
60-64	1,90%	2,20%
65-69	1,40%	1,50%
70-74	0,90%	1%

Fig 6. % people per age in Sandton

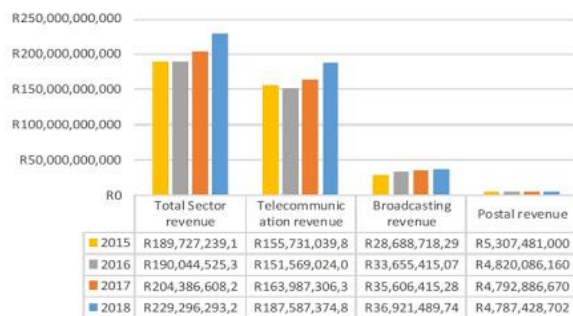


Fig 6. Ave Increase in Mobile Use per year



Fig 7. Online shopping figures

THE MARKET ANALYSIS



Market age: *Group Project Pg. 4:* The above information shows that majority of the age demographic is between 20-49 in Sandton. Referring to our age analysis in our group assignment it showed that the most people were from age 0-29 and less from 30-49. The older generation were not living long and were not as influential in the buying market as compared to Sandton. It's for this reason I don't think the age group in Sandton will suit our current product of Internet, Mobile and TV channel services. Sandton is already established and this product will be obsolete for this region.

New Product: The new product that I would look at in the Sandton area would be on-line shopping platform/website. It is currently in operation in the Sandton market but I don't think its functioning to its full potential. From Figure 7 above it shows that only 12% of people who have internet of their cell phones use it to purchase products on-line. This could be for reasons of being worried about safety. We need to secure the online purchase webpage that we want to create and we have a win win situation. The market age for online shopping is also perfect as it shows in Figure 7 that a high percentage of people between 20-49 use online purchasing as a tool and love it. This is perfect for the Sandton area as its dominated by 20-49-year olds as shown in Figure 6. The ages in Sandton is where the majority income earners lie and this age has the buying power is from 20-49.

Market share: *Group Project Pg. 4:* Figure 4 in the above information shows that the market in South Africa is dominated by Vodacom and MTN. In our Group assignment for Botswana we saw that the market share was dominated by Mascom in the internet and mobile service and DSTV in the TV service provider. There really wasn't any competition in Botswana and that's why our product could work. This product wont work in Sandton as its old technology for the area and there is to much competition. in order to gain market share in the Sandton area one would need to create a totally new product which would mean new technology that's never been seen before.

New Product: Online shopping could work well in the Sandton area. It's an area of wealth and money and has a young demographic of people who work long hours. We can enter the Sandton market and be a dominant force as there isn't too much competition. Our new product of an online shopping website can gain market share I believe easily. There already is a shortage from the information in Figure 7 that shows only 12% of mobile phone users with internet do online purchasing. Figure 3 shows that 97.8% of people use mobile phones in Sandton. So, buy creating a product for the mobile you could potentially tap into all the people living in the Sandton area.

Customer mix: *Group Project Pg. 4:* Figure 2 above shows that that customer mix Is dominated by the black and white race and English is the dominant language. In Botswana the customer mix is totally different. The market is mainly black and manly male dominate. Sandton is totally divided

culturally and females dominate compared to males in terms of the numbers. Our product was perfect for Botswana as it had lower income groups and less connectivity in mobiles, internet and TVs. Sandton however is very well connected as shown in figure 3. 93.3% of people in Sandton already have TVs. 97.8% already use Cell phones. 69.1% already use satellite TVs. This shows how well adapted the market is to Technology. So, our product won't work in the Sandton area for the new customer mix.

New product: Our customer mix is perfect in Sandton for online buying. It's an area where the income earners are technologically inclined and advanced and thus will make use of online shopping in order to time saving and demands of a busy lifestyle. It's also dominated by females who we all know love to shop. There is also a lot of female run households and thus they focus all day on work. If they can save time by shopping on-line it will give them more precious time to their families that they don't see regularly.

Spending Groups: *Group Project Pg4.:* Figure 6 shows that there are more females to males in the Sandton area and that there are 2 controlling diversity groups namely blacks and white in this area. So, the spending would be the most in females and more from black and white cultures. In Botswana the spending group was more Male than female and almost all the people were black. Our target market in our group project was to increase the numbers in the female segment. In Sandton I would think that the women are already the bigger pending group out of the 2. Our product would have been good but once again technologically it's not developed enough for the area.

New product: There are more females in the Sandton area so it's ideal for an online shopping webpage. Figure 5 also shows the earning potential in the Sandton area and people generally earn very well in Sandton.

Market Size: *Group Project:* There are just over 222 000 people living in Sandton. The market size is big for the land area. It's a highly densely populated area. The market size is larger in Botswana as it's a country and Sandton are a Suburb of a province in South Africa. Our original product has a better chance of being very profitable as its market size is much bigger. The market size in Botswana was around 2.15 million people. This is the reason why the product being launched in Botswana isn't a good match for the Sandton Area

New product: The market size is reasonable for the on-line purchasing webpage as the amount of people that can use an online purchasing platform is big enough to sustain it. You don't need millions of people for this product to be profitable. 220 000 people is enough to make a lot of money as the on-line webpage is dependent on living wage and Sandton is the highest earning area in South Africa. Earnings potential is high and this will flow over to the sale on the website.

Competitors: *Group Project:* There are many competitors in the Mobile, Internet and Television markets in Sandton. Sandton is one of Africa's wealthiest areas so development is at its highest as the demand is highest for the best. The market was not very well established in Botswana so there weren't many competitors. Our product would not have struggled in Botswana as it would have been the only one of its kind. Sandton though has very good technological advancement and many people will have these types of packages as affordability is in the area. Our product would not have made any impact in Sandton

New product: There are online purchasing webpages and companies for example Kalahari and Take a lot. However, in the UK there are a lot of these companies and they all thriving. The demand is leading the way for online purchasing companies to dominate. I believe that our Market in Sandton and even in South Africa could do with an additional on-line purchasing company that does online

buying. Kalahari is mainly for books. Take a lot doesn't have the best quality coming from their suppliers. So, make sure you secure the distribution rights for good quality suppliers, pricing be competitive and you will dominate the market. We can launch AMAZON SA.

MARKETING STRATEGY: *Group Project Pg5:* Referring to the marketing strategy that we were going to use in Botswana, it would definitely be different in Sandton. We wanted to use leading industry connectivity and converged mobile services. This is currently already implemented in Sandton due to the development in this area for years. For this reason, our product won't work as its already outdated. Our vision was to be the best internet, TV and mobile services at the best rates to all the market of Botswana. This is easy when there is no technology offering this. However, in Sandton its very difficult as all our competitors are already doing what we were offering.

New product: The region we wanted to deliver to our product to is an entire country whereas Sandton is just a small area in Johannesburg. The marketing strategy for an Online purchasing webpage is to be the best online distribution and purchasing company. Through quality, timeous deliveries and at a good price the marketing strategy would move forward fast. We would look to promote the safest online purchasing platform and this would grow trust in our customers who would then purchase more. I would utilise B2C approach as this would market our new product directly to the customer. I would also utilise the marketing strategy of Direct selling. This gives you one on one with your potential customer to sell them the product. Internet selling is another strategy for marketing our new product.

PRODUCT STRATEGY: *Group Project Pg5:* Referring to the product strategy in Botswana it would have been easy to position oneself pretty much anywhere in order to penetrate the market. This would make our product the best in any area. In Sandton you can't just position yourself anywhere as your opposition is there already. This is how developed the area already is. You would need to develop a new strategy or better yet develop a new product in order to take control of this market. We were targeting female demographics as they were more at home than males. I think in Sandton the female data shows more females work daily than in Botswana. We wanted more women in Botswana to use and purchase our product but I think that the Male of the house made the decisions. A lot more females work on the Sandton area and this would mean we would have to target both male and females in order to reach the numbers we would be needing. Our product in Botswana also wanted to provide better and faster internet service into the rural areas like 3g and 4g connectivity. Sandton is already moving to 5g. So, it's not possible to push this product into Sandton market as its outdated. We would need to look at 6g and I'm sure if the experts haven't manufactured it yet then I won't be able to.

New product: We can position ourselves pretty much wherever we would like as the competition isn't dominant in the area. This would allow us to grow fast and become the dominant player in the online purchase market. We would be able to target Females as they are big in numbers in this area. By making their life easier with online purchasing they would use this platform. Sandton shows a lot of families that are headed up by the female and if her life is eased, they will utilise it.

DISTRIBUTION STRATEGY & PRICE STRATEGY STRUCTURE: *Group project:* We looked to distribute our product through distribution points in Botswana and online as the product was ready made packages. This is possible to do for our current product however being that the product is so obsolete it won't help.

New product: The new product that we would look into may use the same Intensive distribution strategy for example using distribution points. If we had a warehouse like Take a lot suppliers could

ship the products ordered to us and we can deliver them from there. We could also use an app on smart phones for order and payment forms. These can pull through to our factory and suppliers ship these orders to us where we will deliver for the suppliers.

Group Project: Pricing strategy was the bundle strategy to save money and get our product out into the market. Again, this type of price strategy is possible in Sandton for our product but we will need to adapt the packages to the Sandton market. Our product is outdated and if we need to adapt it means we need to change the product, analysis and strategies already discussed above. We will then be able to increase prices as the product would be better suited to Sandton and as the information shows the earning power potential is much higher than in Sandton than in Botswana. This is a wealthy market and they can and will be able to afford to pay more for items with higher technological advancement. The packages we developed for the Botswana market and they will be too slow for the developed Sandton market. Our product wouldn't be able to be distributed in the Sandton area.

New product: I would use the distribution strategy of viral marketing as this would put the presence of picture into our target market. For our new product our pricing strategy will be built into the online price. We are offering a product of convenience and this is price one pays. We have seen that people are moving towards online purchasing even if it is more expensive as it probably costs more in the long run to go into a shop and buy the item yourself. Online shopping saves you time and this is money in the end.

Promotion STRATEGY: *Group project:* Our aim here was to target the female demographics and this will also be good in Sandton as there are more females than men between the ages of 20-49. This is where the power of purchasing is so we must target these individuals. We wanted to increase our name through multi buying promotions, viral marketing, undercover marketing and alliance marketing. Some of these strategies would be okay for our existing product in the Sandton market but because we are unknown and have so much competition already presents, I'm not sure that strategies like alliance marketing or undercover marketing would work for the product in our group assignment.

New product: However, for our new product of online purchasing, alliance or better known as Co-branding marketing, with an already established company like Samsung can work. They can advertise our online services for delivery for instance. This way people who want their product can get it delivered by buying it on line our webpage. Samsung could offer us a cheaper price for their product and will promote their items also. So put our company webpage in their adverts can grow our business and increase their sales. Online marketing has developed well in South Africa and Sandton would be far advanced due to the well-educated people and the demand they would want. People will buy into a product that offers them a break away from the stressed environment. It's a product of service.

Conclusion

I would need to change the product totally that we designed in our group project in order for it to fit the Sandton market. Its outdated in technology and packages and is destined to fail. I would rather implement a product that can utilise the advanced technology and wealth of money in Sandton. Changes in pricing and strategies would need to also happen for an entire new product. I believe the new product is profitable but would need to be implemented soon as technology is changing fast as shown with the talk of 5g already starting.

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