

RUFORUM

Entrepreneurship Training

Marketing, Sales & Distribution

4th August 2020

The difference between sales & Market

1. Appreciate the difference between sales and marketing.
2. Adopt the AIDA model as a tool to implement marketing strategies
3. Adopt the Sales funnel as a tool to implement sales activity
4. Appreciate distribution channels and identify a relevant distribution mix for your business.

The difference between sales & Marketing

Marketing

The activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers

Pull activities attracting customers to purchase a product



Sales

Sales are activities related to selling or the number of goods sold in a given targeted time period. The delivery of a service for a cost is also considered a sale.

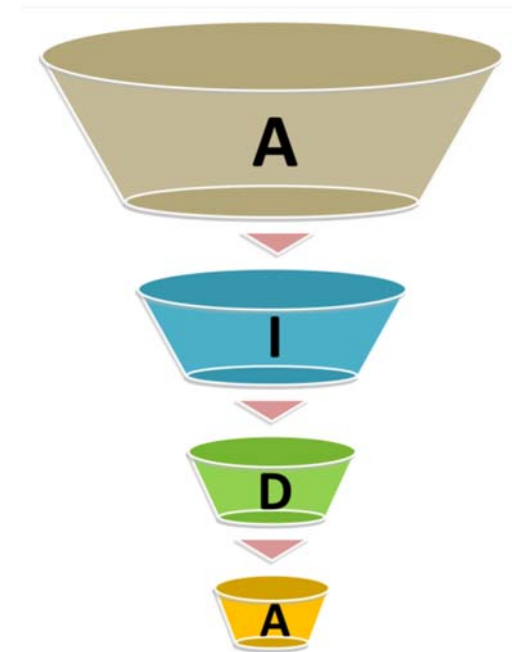
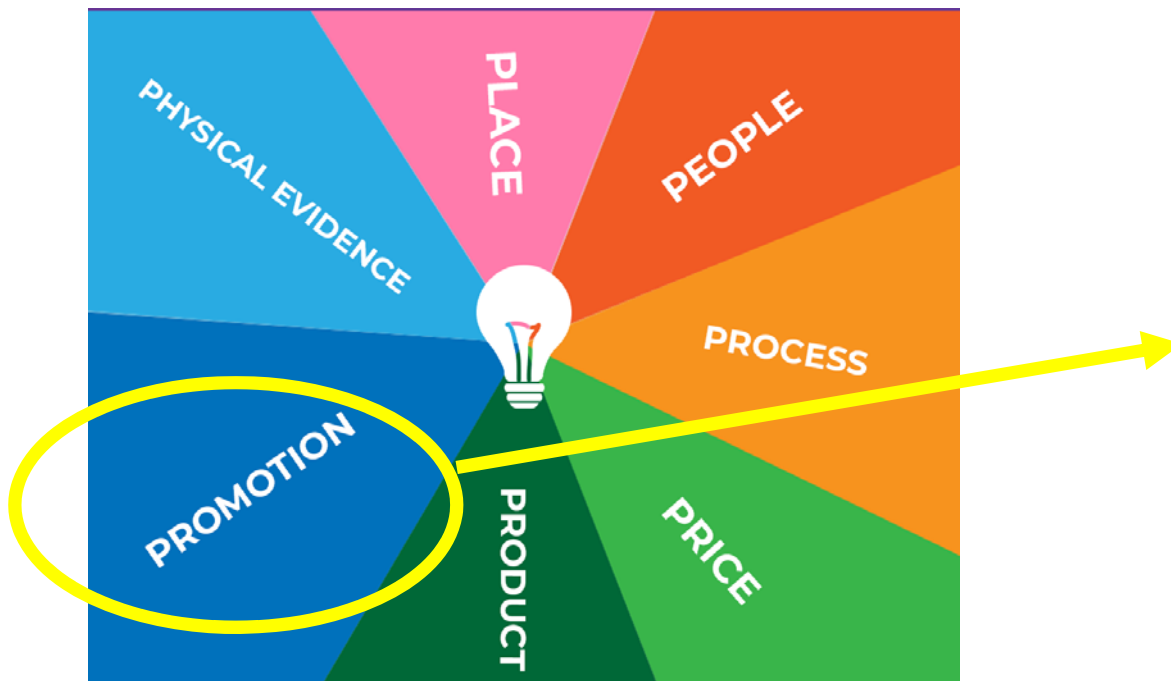
Distribution is a part of sales

Push activities driving customers to purchase a product

Marketing

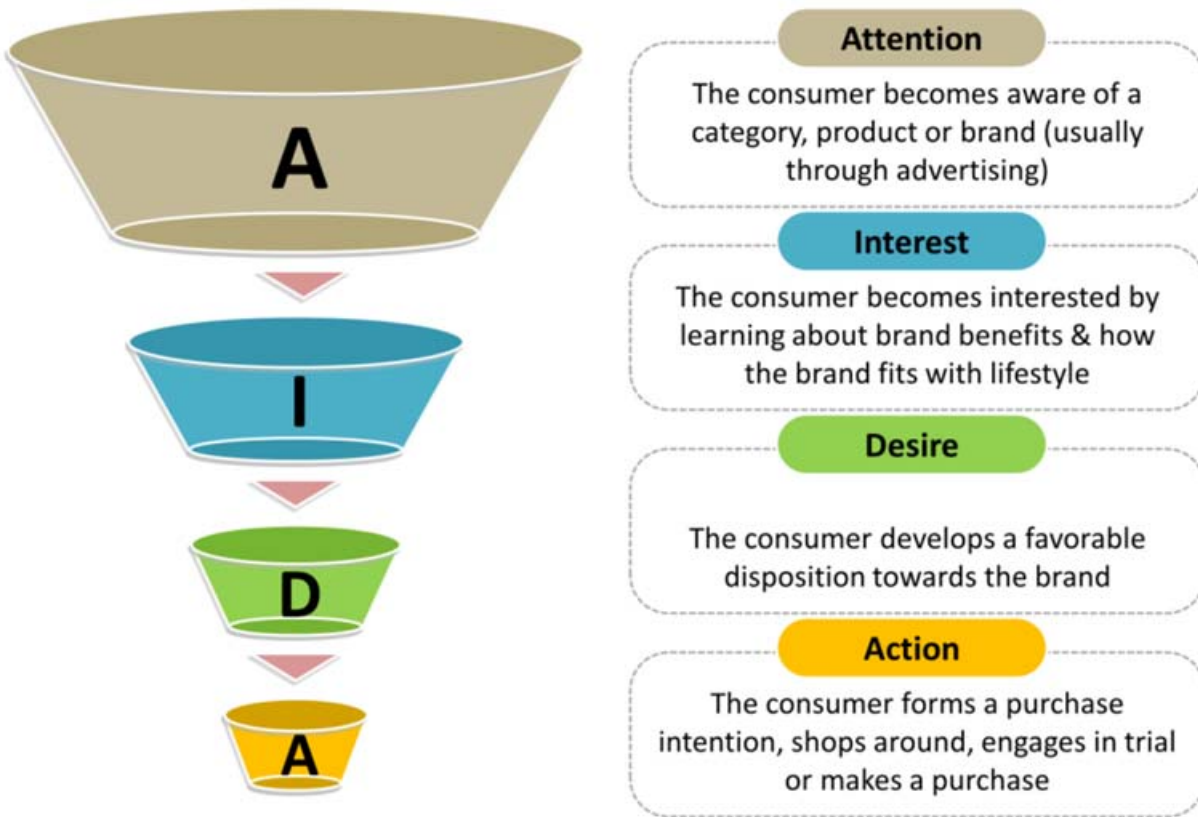
Marketing

7 Ps of Marketing



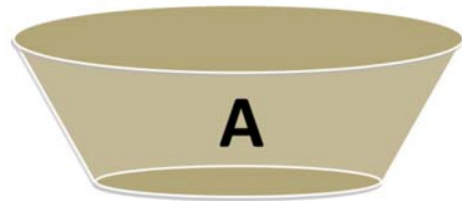
AIDA is the linchpin of promotion and key to driving revenue. The model highlights how marketing can influence the customer journey towards purchase.

Marketing Funnel - AIDA



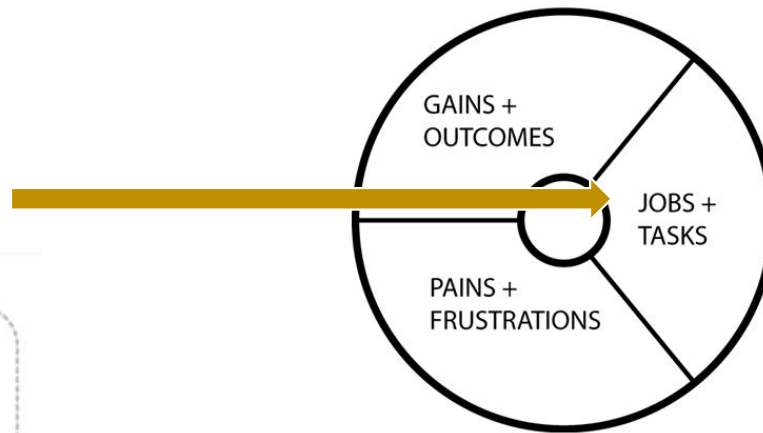
AIDA model execution should speak to your customer profile from Value proposition Canvas.

Attention – Attract the customer, Who are you?



Attention

The consumer becomes aware of a category, product or brand (usually through advertising)



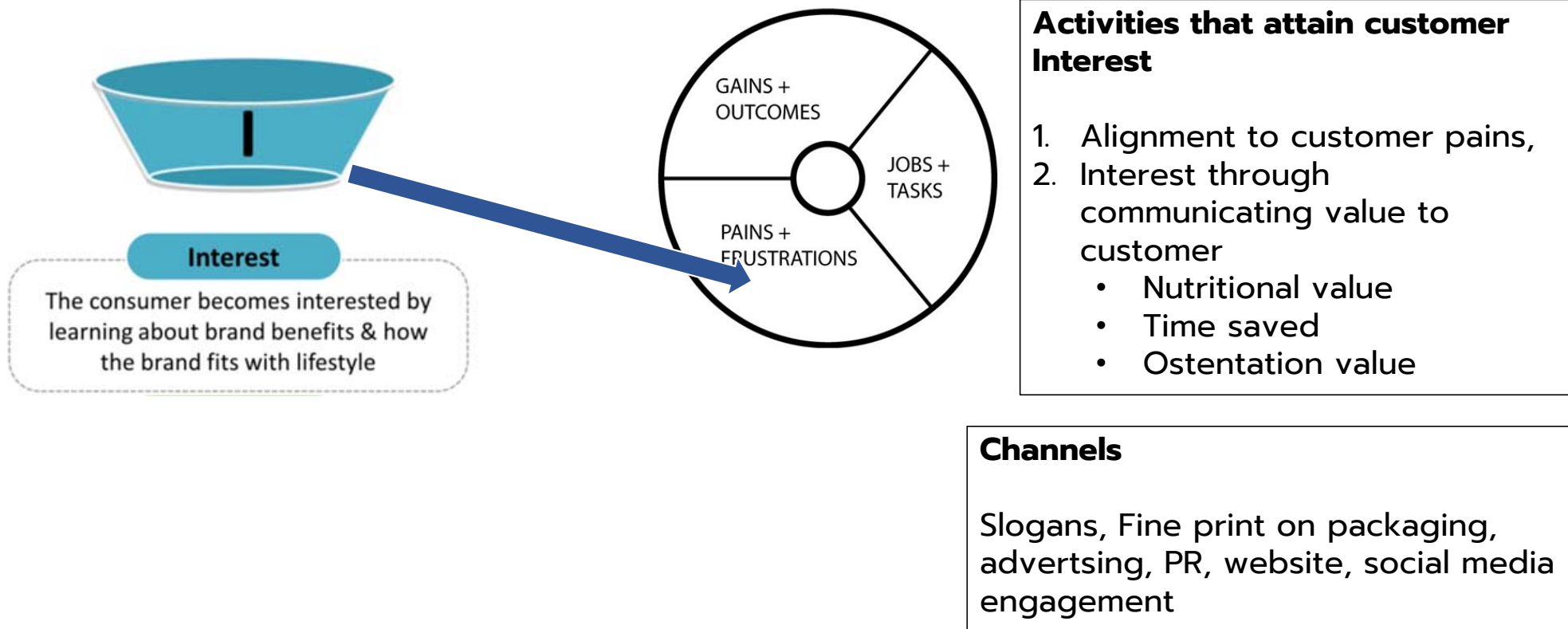
Activities that attain customer Attention

1. Attractive brand colors
2. Identifiable logo
3. Attractive slogan
4. Advertising

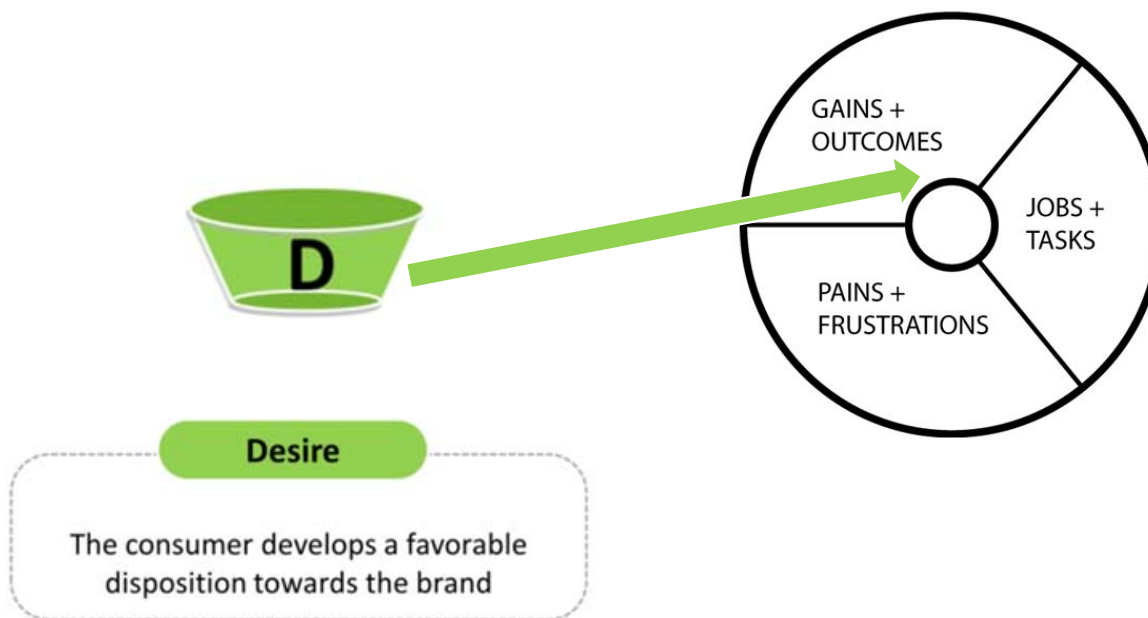
Channels

Packaging, Advertising, Signage, Public Relations – Articles (PR)

Interest – Spark curiosity (What can you do for me?)



Desire – Trigger want, (I want you because you can do this for me).



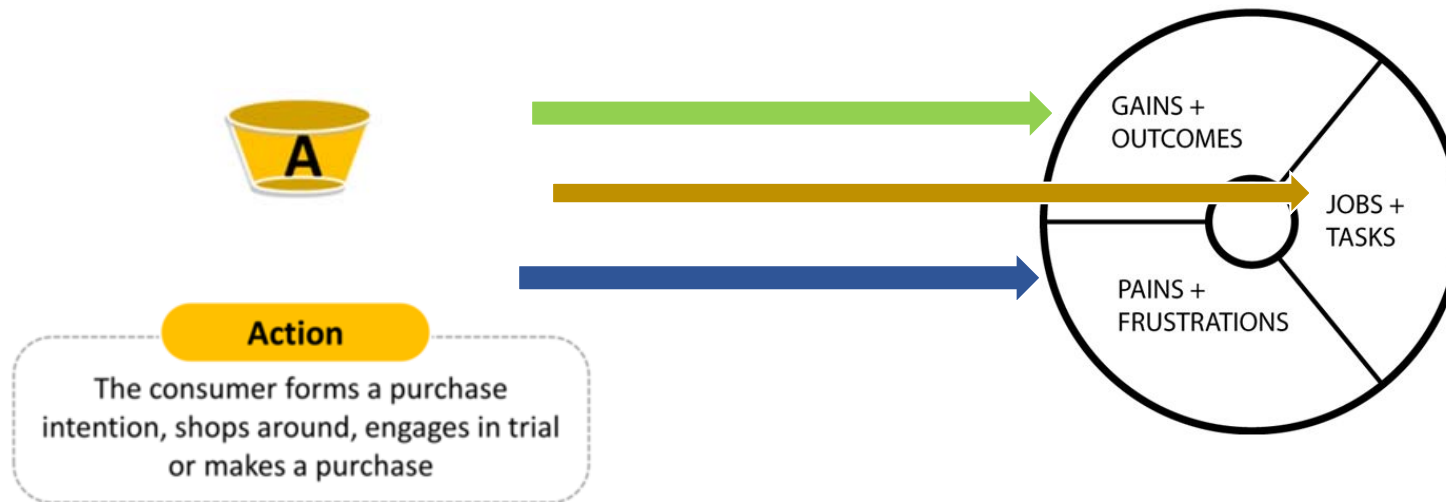
Activities that attain customer Desire

1. Expected gain, customers take interest in products that give them positive value
2. Emotional attachment

Channels

Slogans, Fine print on packaging, advertising, PR, website, social media engagement

Action – Provoke purchase, (I am getting your product).



Activities that attain customer Action/purchase

1. Match customer need
2. Solve customer pain
3. Alignment to customer gain
4. Emotional attachment

Variations of the AIDA model



Feeds into retention.

How do you keep a satisfied customer

How do you maintain customer relationships?

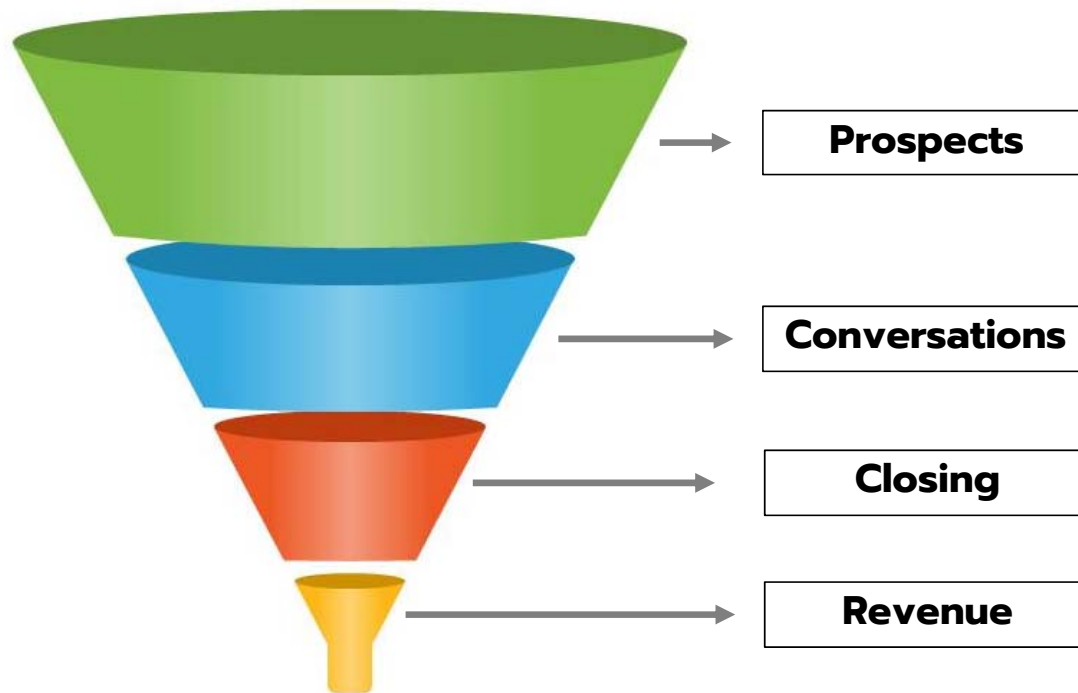
It is cheaper to retain a satisfied customer than acquire a new one

AIDA in Action

	Activities	Channels
Attention	<ol style="list-style-type: none">1. Product Packaging2. Logo Development3. Product Banners	<ol style="list-style-type: none">1. Expos2. Advertising3. Mascot
Interest	<ol style="list-style-type: none">1. Brochures2. Website	<ol style="list-style-type: none">1. Print brochures2. Website
Desire	<ol style="list-style-type: none">1. Sales promotion	<ol style="list-style-type: none">1. Social media
Action	<ol style="list-style-type: none">1. Buy now rebates2. Sales promotion	<ol style="list-style-type: none">1. Website2. In store branding

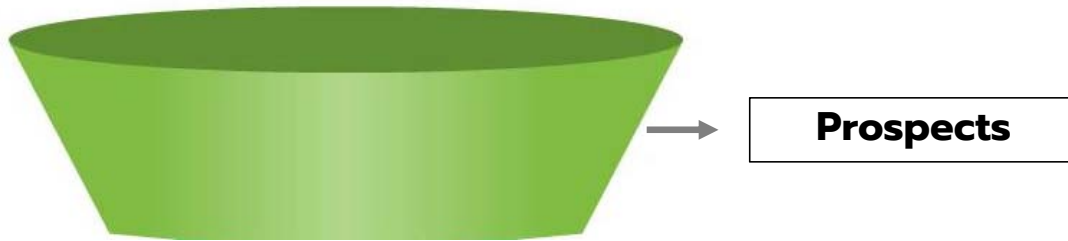
Sales

Sales Funnel



The Sales funnel illustrates the journey an organization would go through to achieve a purchase.

Sales Funnel – Generate Prospects



Attract leads

1. Direct engagement (Direct Sales Agents -DSAs)
2. Email blasts
3. SMS blasts
4. Conferences
5. Advertising (Digital, traditional media)
6. Branding Street preachers
7. Upselling

Success Metrics

1. How many leads in your funnel (B2C)
Digital platforms convert as low as 5% of leads at the top of the funnel.

Consideration: How are you tracking your prospects

Sales Funnel – Engage Prospects



Engage prospects

1. Regular calls
2. Prospects visits
3. Email
4. Social media engagement
5. Encourage trial

Success Metrics

1. How many leads engaged? – What percentage of prospects. >70%

Consideration: How are you tracking your prospects

Sales Funnel – Qualify Leads



Close prospects

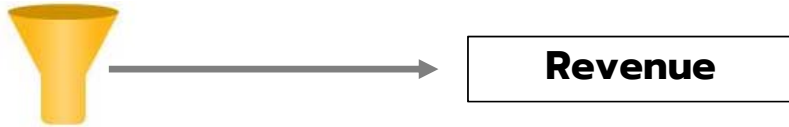
1. Promotional offers – Buy 1 get 1 (Avoid free offers).
2. Easy & quick contracting process. Long contracts are deterrents.

Success Metrics

1. How many leads are converted

Consideration: How quickly can you close a prospect.

Sales Funnel – Close Close Close



Get Paid

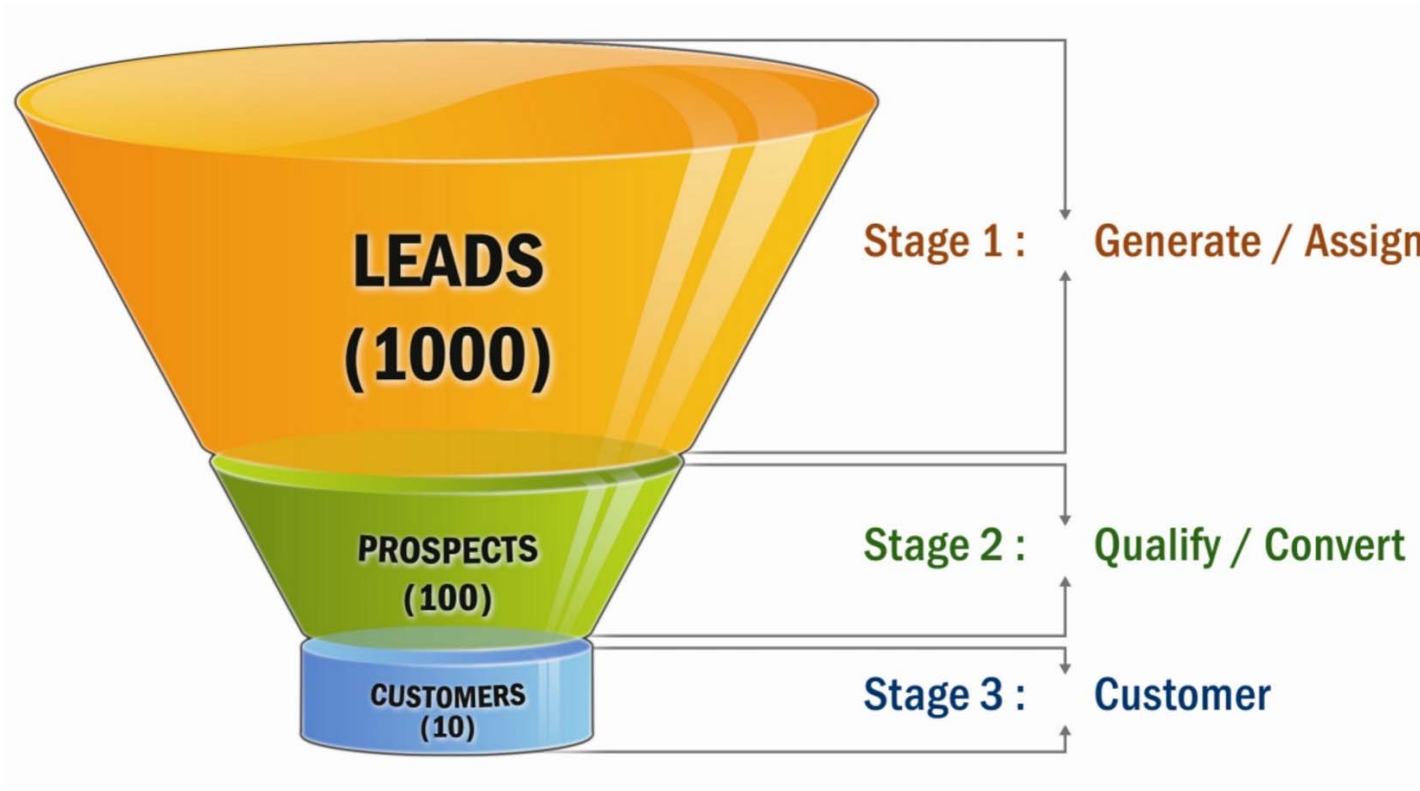
1. Ensure clients pay.
2. Efficient payment management systems.

Success Metrics

1. How much revenue is generated

Consideration: How do you manage payments collection? How easy is it for you to get paid?

Sales Funnel Illustration



Distribution

The route decided by the company to deliver its good or service to the customers.

Direct Distribution

Best suited for

1. Perishable goods.
2. Expensive products.
3. Small geographical location.

Indirect Distribution

Best suited for

1. Start ups
2. Manufacturers that need to focus on their core

Direct Distribution

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graph TD; A[Direct Distribution] --- B[Owner operated Storefront]; A --- C[Direct Engagement & pedling]; A --- D[Online]; E[Pros: Price control, Promotion control, Standardize user experience] --- B; F[Pros: Customer ownership & direct access to customer data] --- C; G[Pros: Quick reaction, Speed of promotion, Upsell channel] --- D; H[Cons: Reduced reach, Increased management costs] --- D;
```

Owner operated Storefront

- Restaurant
- Outlet

Pros

- Price control
- Promotion control
- Standardize user experience

Direct Engagement & pedling

Direct Sales teams

Pros

- Customer ownership & direct access to customer data

Online

- Web
- Social media

Pros

- Quick reaction
- Speed of promotion
- Upsell channel

Con

Reduced reach
Increased management costs

Indirect Distribution

Wholesalers/Retailers

Pros

- Reduced stock management challenges.
- Ability to extend reach of products

Cons

- Increased cost to customer.
- Reduced customer support and expectation management.
- Need for merchandising support.

Online Marketplaces

Pros

- Increased reach
- Reduced online. Channel management.

Cons

- Reduced channel control
- Increased need for online marketing

Hotels, Restaurants Cafes (HoReCa)

Tasks

1. Create an AIDA model for your business, highlighting your actions and engagement channels
2. Create your sales funnel, setting sales targets and actions to generate, engage, close leads and collect payments
3. Illustrate your preferred distribution channels highlighting reasons for your choice. Input distribution volume targets to your selected channel.