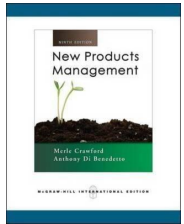


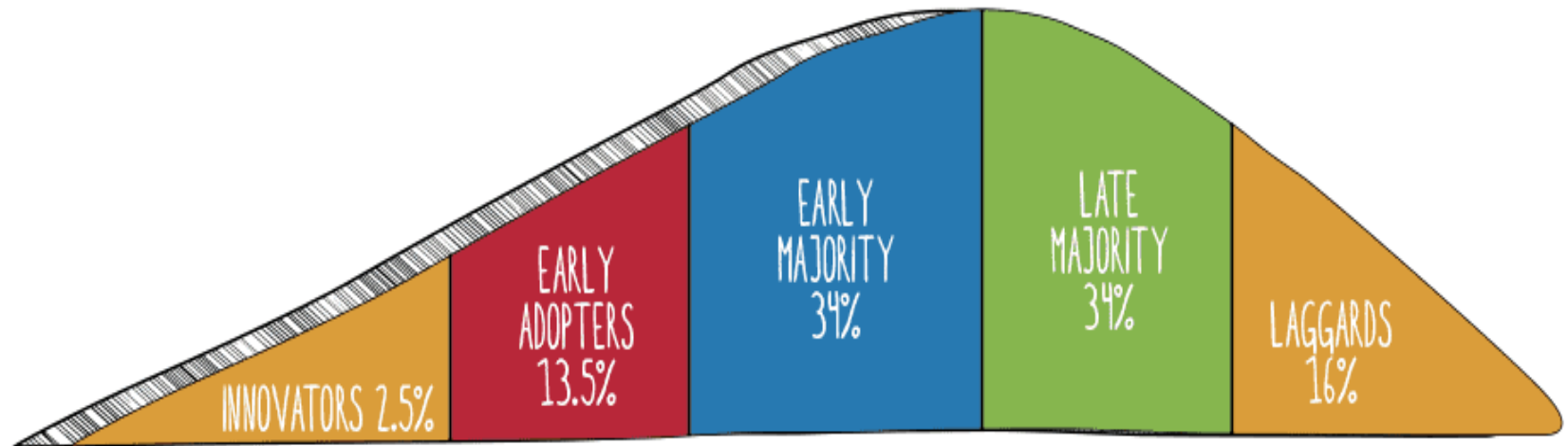
# A-T-A-R Model

Sales Forecast for New Products

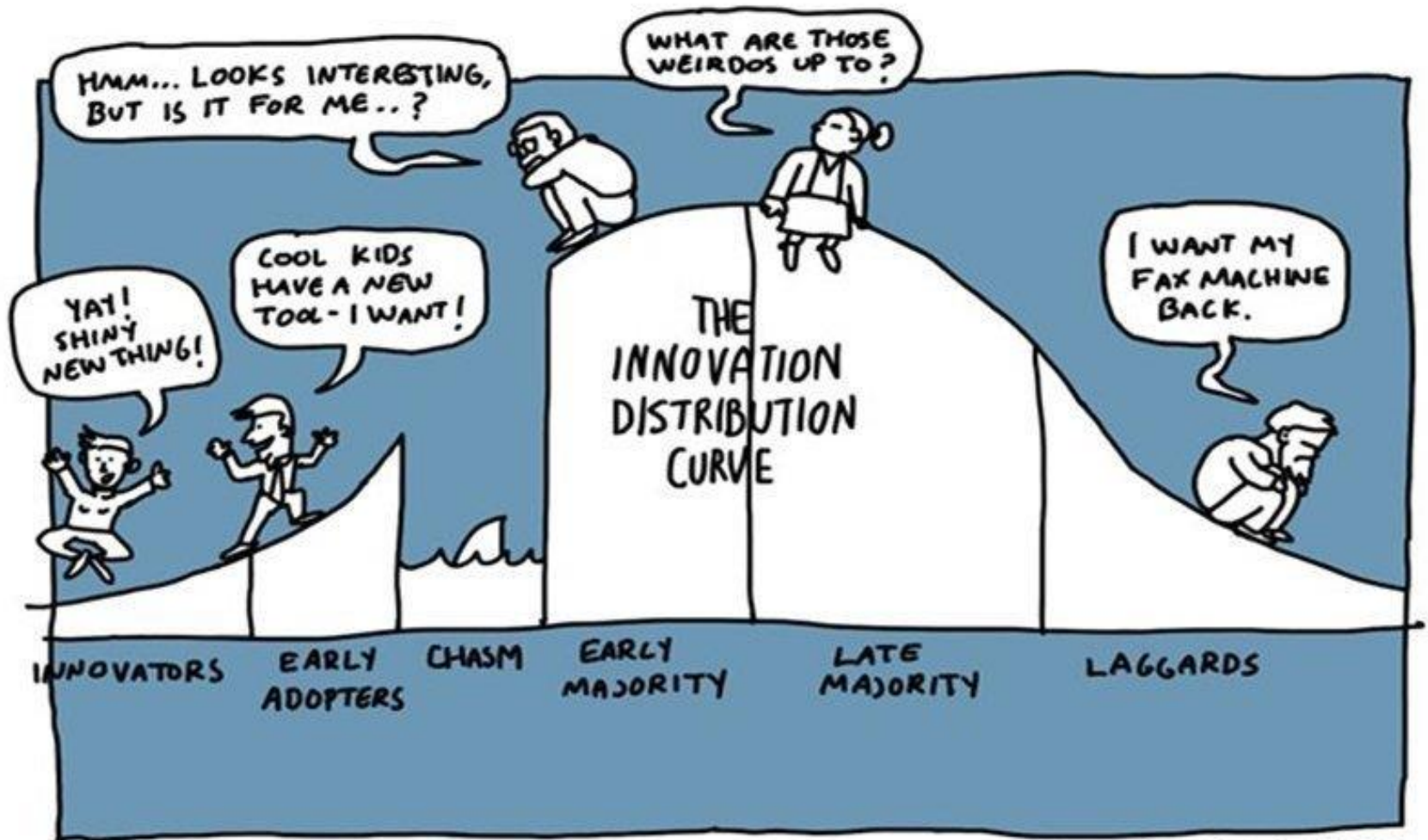


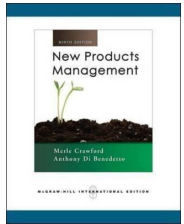
- **The ATAR model provides a framework to help estimate the adoption rate in each year.**
- The ATAR model (Awareness, Trial, Availability, Repeat), is based on concept **of 'Diffusion of Innovation'**.
- In order for a person to be a regular purchaser of the new product they must first become **'Aware' that it exists.**
- Once they have become aware of it they must make the decision **to 'Try' it out.**
- In order to be able to try it out, it must be **'Available' for them to purchase.**
- If they are happy with the trial, then they may decide to adopt the product, that is, **'Repeat' the purchase again.**

# DIFFUSION OF INNOVATION MODEL



ESSENTIAL MARKETING MODELS [HTTP://BIT.LY/SMARTMODELS](http://bit.ly/smartmodels)

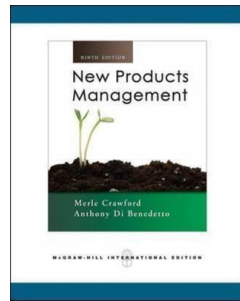




# The A-T-A-R Model: Definitions

- **Buying Unit:** Purchase point (person or department/buying center).
- **Aware:** Has heard about the new product with some characteristic that differentiates it.
- **Available:** If the buyer wants to try the product, the effort to find it will be successful (expressed as a percentage).
- **Trial:** Usually means a purchase or consumption of the product.
- **Repeat:** The product is bought at least once more, or (for durables) recommended to others.

# An A-T-A-R Model of Innovation Diffusion



Profits = Units Sold x Profit Per Unit

Units Sold = Number of buying units

x % aware of product

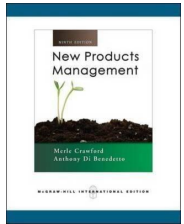
x % who would try product if they can get it

x % to whom product is available

x % of triers who become repeat purchasers

x Number of units repeaters buy in a year

Profit Per Unit = Revenue per unit - cost per unit



## Application of the A-T-A-R Model of Ice-cream cones

2 million Consumers age 17-39 in Madrid area  
x30% Percent aware after one year (Awareness)  
x20% Percent of "aware" owners who try (Trial)  
x10% Percent product availability at stores (Availability)  
x50% Percent trier who buy again (Repeat)  
x10 Units a typical trier buys per year  
x \$1.10 Unit price (\$3.00) less unit cost (\$1.90)

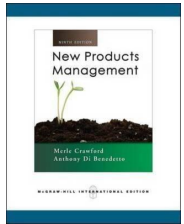
= \$66,000 Total profits

# Getting the Estimates for A-T-A-R Model

Item	Market Research	Concept Test	Product Use Test	Component Testing	Market Test
Market Units	XX	X	X		X
Awareness		X	X	X	X
Trial		XX	X		X
Availability	X				XX
Repeat			XX		X
Consumption	X	X	X		XX
Price/Unit	X	X	X	X	XX
Cost/Unit				X	XX

xx: Best source for that item.

x: Some knowledge gained.



## Notes about A-T-A-R Model

1. Estimate each A-T-A-R factor using various assumptions (realistic, optimistic, pessimistic)
2. Estimate accuracies improve with each step in the development phase.
3. If profit forecast is low, look at each A-T-A-R factor and see which can be improved at what cost.
4. The A-T-A-R works best in frequently purchased product categories.

## Marketing Budget Major Categories



## What is a marketing budget?

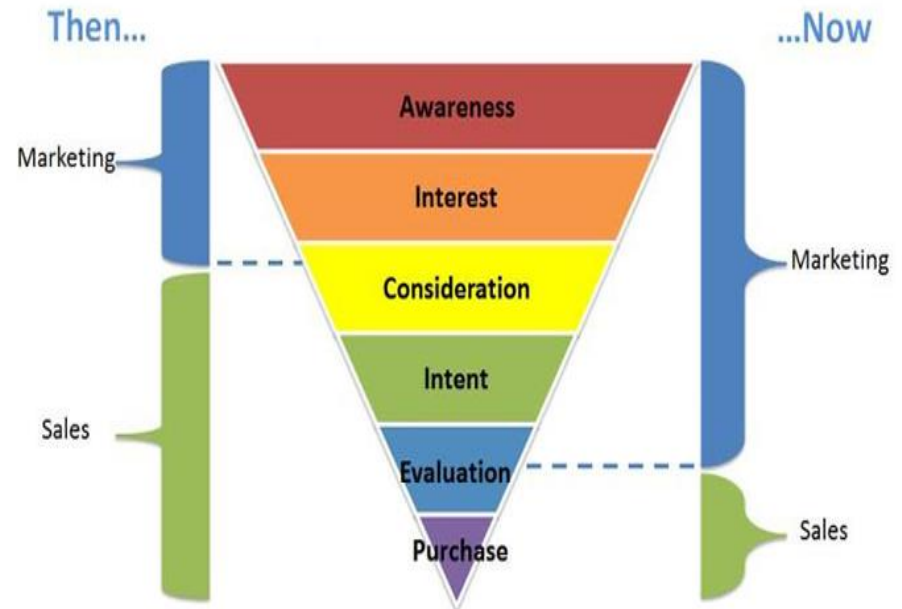
The marketing budget **sets out how much money is allocated to the marketing function and how it is intended to spend it.** ... According to the marketing objectives (e.g. what management expect they need to spend to achieve the objectives) In line with market and competitor averages (e.g. some as a proportion of revenues)

# What is in a marketing budget?

---

A marketing budget outlines all the money a business intends to spend on marketing-related projects over the quarter or year. Marketing budgets can include expenses such as **paid advertising**, **sponsored web content**, **new marketing staff**, **a registered blog domain**, and **marketing automation software**.

## The New Marketing & Sales Funnel



# Setting the Promotion Budget

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## **Affordable**

Based on What the Company Thinks it Can Afford

## **Percentage-of-Sales**

Based on a Percentage of Current or Forecasted Sales or as a percentage of the unit sales price

## **Competitive-Parity**

Set Budget to Match Competitors

## **Objective-and-Task**

Set Objectives, Determine Tasks to Achieve Objectives, Sum of Task Costs Equals Budget

# How do you create a marketing budget?

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The average allocation usually ranges **between 9-12% of the annual budget**, while the smallest businesses may go as low as 2%. ... The marketing budget will never spin out of control and deplete sales revenue. The Dollar Approach. Many businesses simply set a flat dollar amount for their marketing budget.



# How to determine marketing budget?

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In a sales context, a lead refers **to contact with a potential customer**, also known as a “prospect”. For some companies, a “lead” is a contact already determined to be a prospective customer, whereas other companies consider a “lead” to be any sales contact.

Simply **divide the total amount spent on marketing by the number of leads generated**. For example, if you spend \$100,000 on marketing and generate 1,000 leads, your cost is \$100 per lead.

# 6 steps

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**Here are the six steps to developing a marketing budget as part of your marketing plan:**

Know Your Sales Funnel. ...

Know Your Operational Costs. ...

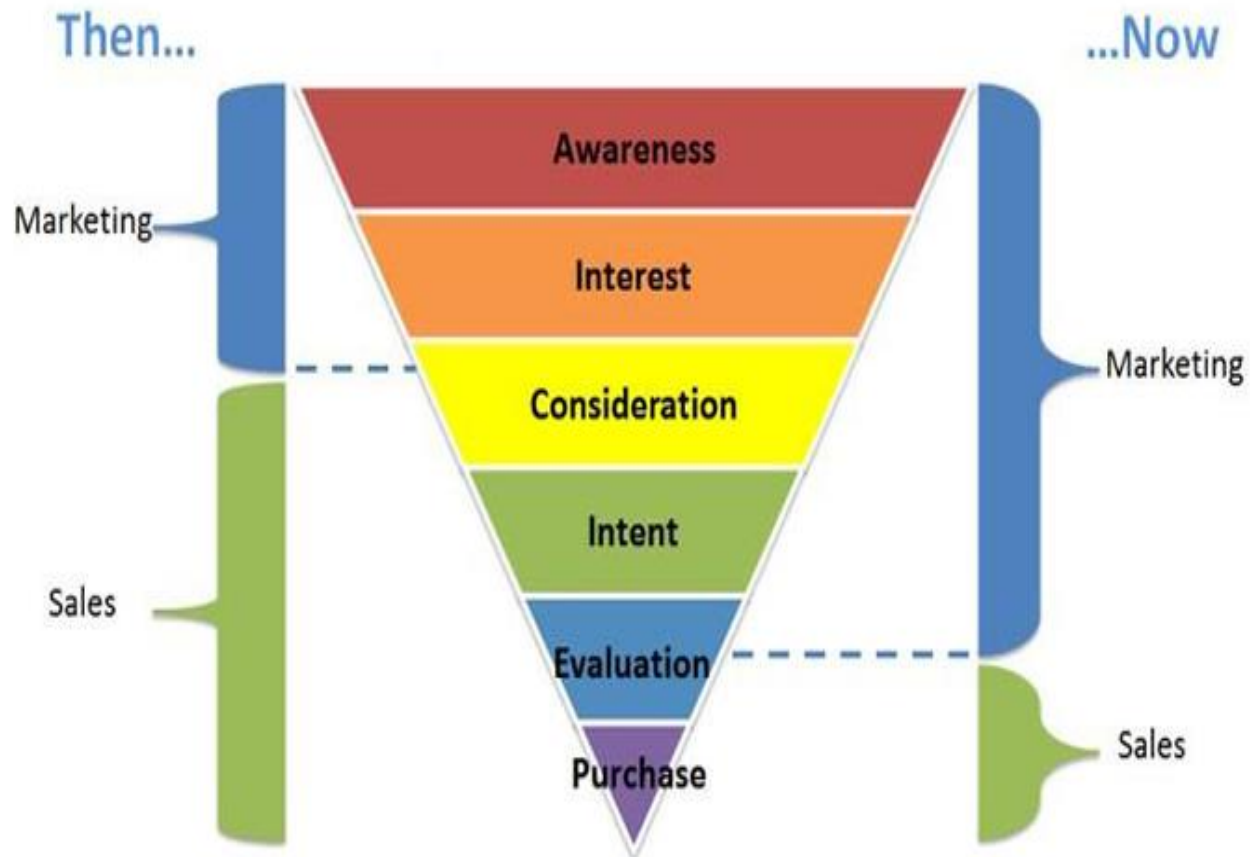
Set Your Marketing Budget Based on Business Goals. ...

Position Marketing as an Investment, Not a Cost. ...

Consider Your Growth Stage. ...

Understand Current and Future Trends.

# The New Marketing & Sales Funnel





## GANTT Chart

Tactics	Jan.	Feb.	Mar.	April	May.	June	July.	Aug.	Sept.	Oct.	Nov.	Dec.
Print												
Business Magazines												
Ads in Magazines that appeals to business individuals.												
Social Media												
You tube												
Blogs												
Instagram												
Twitter												
Face book												
Outdoor												
Billboards displaying StorkStand Guerilla Advertising												
Transit												
Ads on/in buses, & on the sides of bus stops												
Digital Media												
Website: StorkStand.com												



## Gantt Chart for Six Month Campaign Events

	April	May	June	July	August	September
Social Media	Active	Active	Active	Active	Active	Active
Print Ad		Active				
Pro-mobile		Active	Active	Active		
Samples		Active	Active	Active		
Internship		Active	Active	Active	Active	Active
Radio Ad			Active			
YouTube			Active	Active		
TV Ad				Active	Active	
Trend Spot				Active		
Press Release					Active	
35th Event					Active	
Evaluation						Active

# Examples

<b>Q1 Marketing Expenditures</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>Q1 Totals</b>
Online	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 3,000.00
Catalogs	\$ 2,500.00	\$ 1,500.00	\$ 1,250.00	\$ 5,250.00
Conventions	\$ 1,500.00	\$ 2,500.00	\$ 3,500.00	\$ 7,500.00
Trade shows	\$ 1,000.00	\$ 850.00	\$ 500.00	\$ 2,350.00
Print	\$ 1,000.00	\$ 1,350.00	\$ 1,250.00	\$ 3,600.00
Radio	\$ 500.00	\$ 750.00	\$ 500.00	\$ 1,750.00
Promotions	\$ 500.00	\$ 650.00	\$ 500.00	\$ 1,650.00
Publications	\$ 1,500.00	\$ 2,500.00	\$ 1,500.00	\$ 5,500.00
Sales training	\$ 2,000.00	\$ 1,750.00	\$ 2,000.00	\$ 5,750.00
Magazines	\$ 700.00	\$ 350.00	\$ 700.00	\$ 1,750.00
total spent marketing in Q1	\$ 12,200.00	\$ 13,200.00	\$ 12,700.00	\$ 38,100.00
company sales totals in Q1	\$375,000.00	\$400,000.00	\$425,000.00	\$ 1,200,000.00
marketing as a % of sales	3.253%	3.300%	2.988%	3.175%

# Examples

Item	Cost Activities	Month		
		October	November	December
Workers welfare	Wage and sales commissions	14,086,596	14,086,596	14,086,596
Official Travel and Transportation Allowance	Sales force official travel expenses	408,826	408,826	408,827
	Sales force official transportation expenses	1,000,000	1,000,000	1,000,000
Promotion and Advertisement	Digital marketing advertising expenses	1,666,666	1,666,667	1,666,667
	Sales Promotion (meat sampling)	2,000,000	-	1,451,957
Rent	Rent expenses for expedition	1,972,357	1,972,357	1,972,356
Professional Service	Professional service expenses (trainer)	5,071,775	-	-
Transportation	Peking duck carcass transportation expenses	4,226,478	4,226,479	4,226,479
Telephone, Electricity, and Water	Telephone, electricity, and water use expenses	1,127,061	1,127,061	1,127,061
Depreciation	Depreciation expense of equipment and building	841,962	841,962	841,963

# Examples

Your Annual Revenue:	\$1,000,000
Your Business Type:	B2C Service
Percent of Annual Revenue Generated Online:	>15%
View Budget Data As:	Monthly

SUMMARY	LOW Monthly	HIGH Monthly
Total Marketing Budget	\$5,833	\$10,000
Digital Marketing Budget	\$1,554	\$3,936

DETAIL	LOW Monthly	HIGH Monthly
Search Advertising	\$272	\$689
Display Advertising	\$140	\$354
Social Advertising	\$171	\$433
<b>Online Advertising Total</b>	<b>\$583</b>	<b>\$1,476</b>
Email	\$78	\$197
SEO / Content	\$280	\$709
Management, Consulting, Training	\$439	\$1,112
Marketing Technology	\$175	\$443
<b>Total Digital Marketing Budget</b>	<b>\$1,554</b>	<b>\$3,936</b>



6:04



Planning your marketing budget in 6 steps FOR NEWBIES



AliDropship · 12K views · 1 year ago





# KPI

Key Performance Indicator

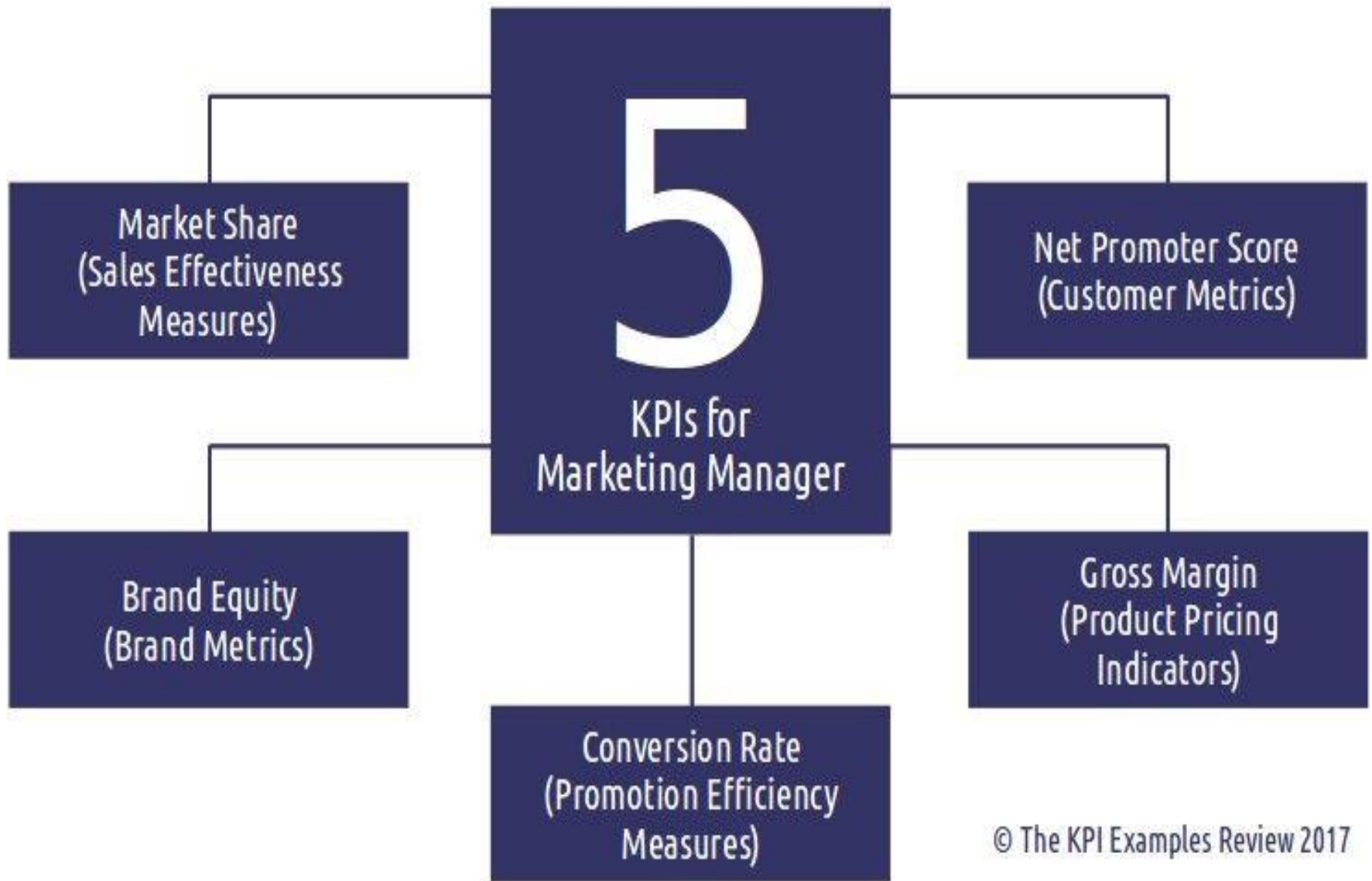
# Brand KPIs you should measure in 2020

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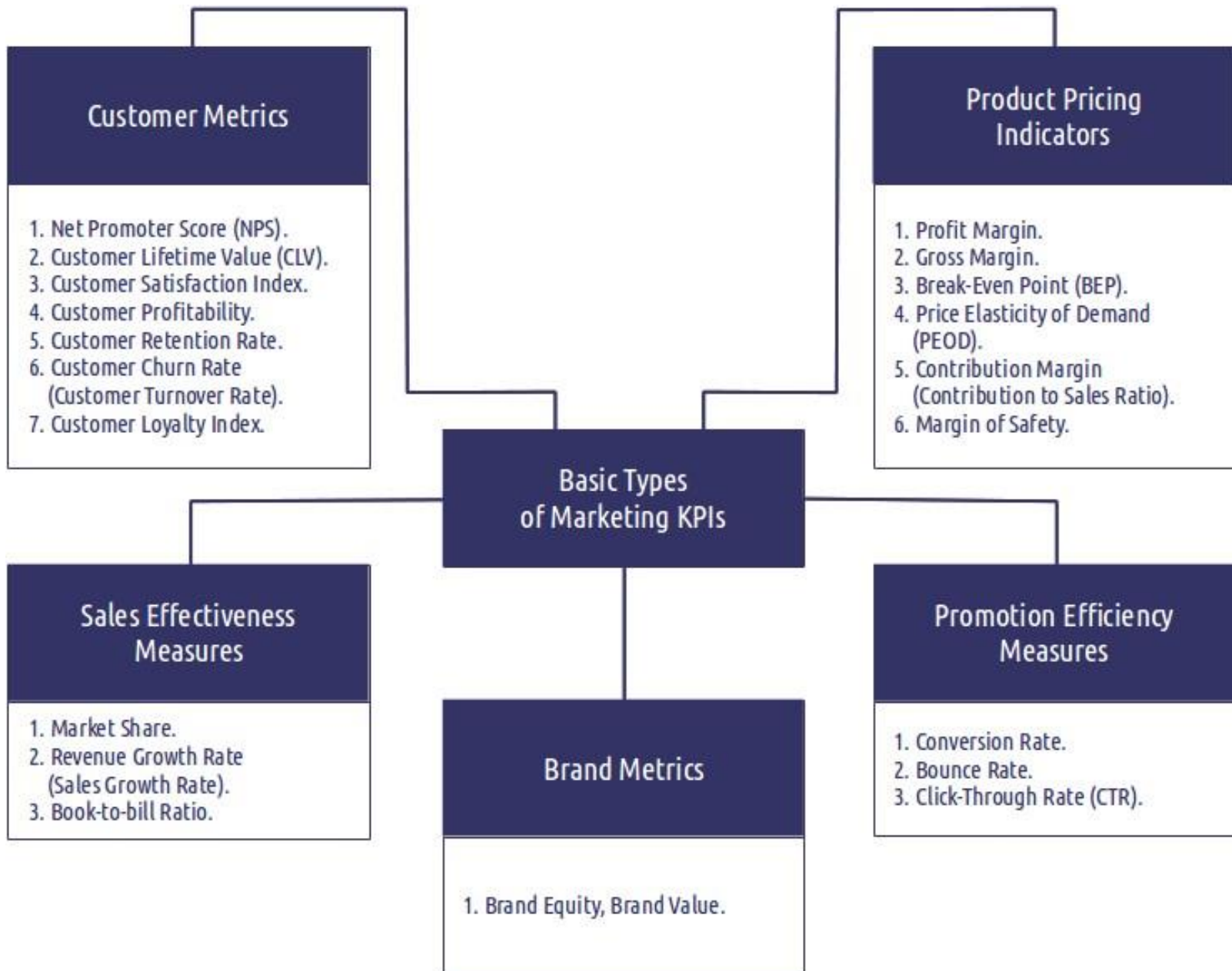
- Sentiment. Sentiment can tell you your overall brand health by informing you what people know and feel about your brand. ...
- Social mentions. ...
- Top-of-mind brand recall. ...
- Share of voice. ...
- Purchase intent. ...
- Bounce rate. ...
- Conversion rates. ...
- Cost-per-acquisition.

# Social Metrics Map

BUYER'S JOURNEY	OBJECTIVE	SOCIAL MEDIA STRATEGY	SOCIAL ACTIVITY	SOCIAL KPI'S	BUSINESS IMPACT
<b>AWARENESS</b>	Create awareness	Expose target audience to brand content	Posts, promotions (boosts)	Impressions, reach	SOV, Top of Mind Awareness
<b>CONSIDERATION</b>	Generate demand	Generate engagement of target audience with brand content	Posts, responses	# of engagements, types of engagements	Visitors/traffic (online or offline)
<b>DECISION</b>	Drive conversion	Drive target audience to brand offers	Posts, promotions	Link clicks	Conversions (purchases, lead submissions, app downloads)
<b>ADOPTION</b>	Delight customers	Drive engagement with brand product/services	Responses (i.e. social customer care)	(positive) earned mentions, customer care metrics (responses times & qty)	Sentiment and satisfaction
<b>ADVOCACY</b>	Inspire evangelism	Activate customer influencers	Posts, outreach to influencers, reshares	Earned impressions, earned reach, social UGC	Referrals, influencer activity, positive word of mouth, NPS



© The KPI Examples Review 2017



$$\text{Conversion Rate} = \frac{\text{Number of Conversions}}{\text{Total Visitors}} \times 100$$

$$\text{Conversion Rate (\%)} = \frac{\text{Total Goal Completions}}{\text{Total Website Visits}} \times 100$$

# Definition

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Conversion rates are **calculated by simply taking the number of conversions and dividing that by the number of total ad interactions that can be tracked to a conversion during the same time period**. For example, if you had 50 conversions from 1,000 interactions, your conversion rate would be 5%, since  $50 \div 1,000 = 5\%$ .

In all simplicity, you calculate conversion rate by dividing the number of conversions with the number of visitors. **Conversion rate = #CONVERSIONS / #VISITORS \* 100%** This central KPI measures the performance of your campaigns and landing pages. You can calculate conversion rate for an entire domain or selected pages.

# What is good?

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Your conversion rate is **the percentage of visitors to your website that complete a desired goal (a conversion) out of the total number of visitors**. A high conversion rate is indicative of successful marketing and web design: It means people want what you're offering, and they're easily able to get it!

What is the average conversion rate for retailers? Research shows that the average conversion rate for brick-and-mortar stores is **around 20-40%**. That's a good benchmark to compare yours against.

# The importance

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Conversion rate optimization is important because **it allows you to lower your customer acquisition costs by getting more value from the visitors and users you already have.** By optimizing your conversion rate you can increase revenue per visitor, acquire more customers, and grow your business.

# CONVERSION RATE BENCHMARKS



## Average Conversion Rate

The average conversion rate for Google Shopping Ads is 1.91%.

