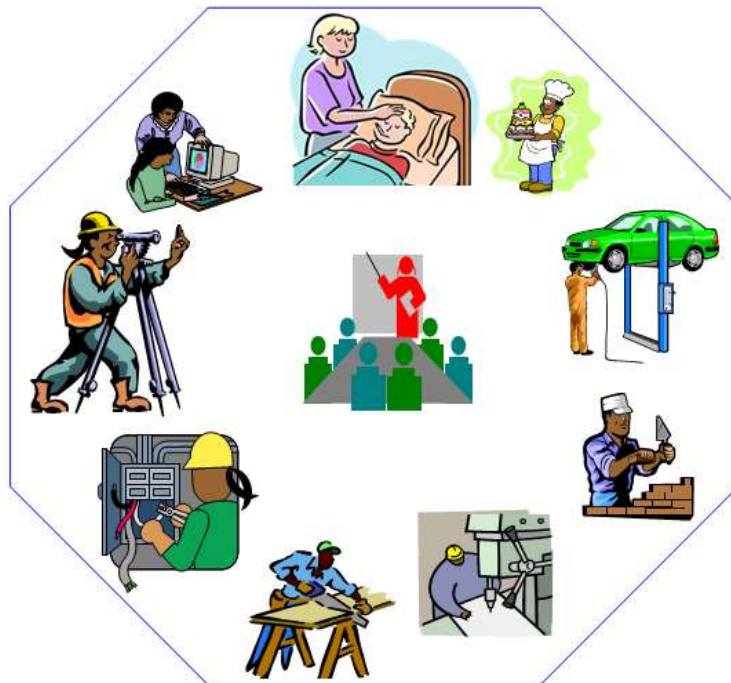


Cooperative Marketing

Level-II

**Based on March 2022, Version 2 Occupational
Standard**



Module Title: Develop Product Knowledge

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Introduction to the Module

Dear learner, the Ethiopian TVET system is now focused on the labor market demands and industry relevance. This translates that the main objectives of the TVET system is to qualify its graduates according to the occupational requirements of the industry. In this learning guide there are three learning outcome Product knowledge, converting product knowledge in to benefits, Evaluate competitors' product which are broke down in to information sheets. In this learning guide, some learning activities and self-check exercises are included to make your study clear, attractive and precise. These are very important in deepening and enhancing your understanding of the learning out comes in the module. If you skip doing those activities and exercises, your level of understanding will be limited and insufficient. As a result, you are strongly advised and encouraged to do it on time accordingly. Upon the completion of the module you will be able to perform the objectives listed on instruction sheet.

LG #1	LO #1- Product knowledge
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Instruction sheet 1
<p>This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:</p> <ul style="list-style-type: none"> • An overview of a Product • Product knowledge Information Sources • Aspects of product knowledge <p>This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:</p> <ul style="list-style-type: none"> • Describe the meaning of a Product • Identify Product knowledge Information Sources • Explain Aspects of product knowledge
Learning Instructions:
<ol style="list-style-type: none"> 1. Read the specific objectives of this Learning Guide. 2. Follow the instructions described below. 3. Read the information written in the information Sheets 4. Accomplish the Self-checks 5. Perform Operation Sheets 6. Do the “LAP test”

Information Sheet 1

1.1. An overview of a Product

A product is the item offered for sale. A product can be a service or item. It can be physical or in virtual or cyber form. Every product is made at a cost and each is sold at a price. The price that can be charged depends on the market, the quality, the marketing and the segment that is targeted. Each product has a useful life after which it needs replacement, and a life cycle after which it has to be re-invented.

1.2. Product knowledge Information Sources

Information about products can be gained from a variety of sources – some sources are genuine and honest, while others are of dubious worth and contain details that are incorrect, biased or insufficient.

As a team leader, you need to know where you can obtain good product information so you can demonstrate effective sales techniques to your staff and build your personal credibility among customers, workers and higher level management.



Figure 1.1 Product knowledge sources

A sale is when:

- On-the-spot cash payment is made – money is exchanged
- A check is tendered in payment
- An electronic transaction takes place – such as payment using EFTPOS or a credit card
- A purchase is made online

- An order is placed – this may require payment of a deposit (depending on organizational policy)
- A contract is signed
- Financial transaction occurs, such as a lay-by agreement, charging to an account or invoicing.

Specified areas: Team leaders and their staff are not expected to know everything there is to know about all products in all areas. But they are expected to have an excellent level of knowledge about products in a specified area. This is a legitimate expectation from your employer and your customers.

1.3. Aspects of product knowledge

Product usage is a variable in behavioral segmentation in which marketers group consumers based on how and when they use it, and the duration of using the product. For example, a product usage report of any soap is a report which details the number of soaps used by family or hotel in particular period of time (for example week, fortnight, month ,quarter, half, year). With this in mind, it is important in your role as team leader to understand the aspects of product knowledge from the perspectives of product usage or purpose, as shown below.

1.3.1 Key aspects of product knowledge

Customers rely on you and the sales team to provide them with comprehensive and accurate information and to supply truthful and pertinent answers to their questions. Customers want sales staff to recommend suitable products and to help them make purchasing decision your employer expects you to know what you are talking about when serving customers, because they have shown trust in your expertise by appointing you.

A high level of product knowledge helps create rapport with customers, increasing the likelihood of a sale being made. The level of product knowledge of sales and customer service staff is directly related to the level of sales an organization makes. Your employer expects you to educate other sales team members through formal training, coaching and mentoring.

1.3.2 Product features

A product features is a specific aspect of a product designed to address an individual need in the market place. Product features are distinct areas of newly improved capabilities that add value to your users. Simply consider product features as small gifts, it may be general features, elements, design, and performance advancements. Key features are those that:

- Are the primary or most significant facts or characteristics of the product
- Are highlighted in the advertising and promotional material for the product
- May be the unique selling point for the product
- May be the reason that the product was developed and brought into the marketplace.



1.3.3 Unique selling point

A unique selling point (USP) or proposition refers to a feature that is specific to a particular product, service or retailer. This means no other product or store has this selling point, at least among your competitors. Stores often seek to develop or sell products with USPs in order to gain a competitive advantage in the marketplace. A USP could be a fun, convenient or useful feature of a product. It could be a time, location or option for a service.

It may be as simple as free gift wrapping or as complex as a proprietary software system or it could just be that you are \$10 cheaper or ten minutes faster than the opposition. Team leaders must ensure their sales staff knows about any USPs that exist so they can emphasis these to customers during the selling process.

General descriptors: A general descriptor is basic information that covers:

- the type of product
- the name of the manufacturer
- the brand name or model number
- The code number – for ordering or reference purposes.



Figure 1.3 Product descriptors

1.3.4 Product specifications: These give details of the size, shape, performance and manufacture of the item. The nature of this information varies depending on the type of product.

Shelf life: When a product is perishable (food, pharmaceutical products and some chemicals) or has a finite service life (personal distress beacons, batteries, fire extinguishers), this information needs to be conveyed to the customer. Shelf-life information is usually printed clearly on the packaging of a product. In some cases this information is governed by legislation.

Types of shelf-life information

- Use-by dates
- Best-before dates
- Expected battery life – hours
- Replacement dates for spare parts – based on service hours or calendar dates

Options: Many products are offered with options so that the basic product can be tailored to suit the buyers' needs, wants and preferences. Different options are strongly linked to different price points.

Here are details you may need to advise customers about for products and services.

Product details	Services details
The range of models offered	Duration
Colors	Frequency
Sizes	Locations
Styles	Packages
Functions	Inclusions and exclusions

Table 1.1 Product and service options details

Packaging: Product features may also include aspects of packaging such as:

- how the item is packaged for in-store delivery into the sales environment
- individual product packaging statistical information describing details of the ‘on shelf’ product that is displayed for sale
- Visual representations of what the item looks like when displayed for sale.



Figure 1.4 Aspects of product packaging

Role and skills of the team leader: Developing product knowledge is an essential and time-consuming task. Team leaders need to be well organized and use their time effectively in order to get the work done. Here is information about developing product knowledge.

Role	Skills
Plan the research and other work that needs to take place	Time management Organization of multiple activities Prioritization of competing needs and demands Allocation of supporting resources
Implement tasks necessary to achieve required outcomes	Personal motivation and drive Focus and self-discipline Delegation Interpersonal skills Record keeping and filing

Table 1.2 Developing product knowledge information

Hard-copy product information materials: These materials, which are often also available in electronic/online format, include:

Catalogues publications that showcase the products available from suppliers and manufacturers and give details of items in the range

Price lists details on unit prices, additional fees (delivery, pre-order, options charge) and discounts (bulk purchase)

Product packaging the boxes, wrappers and enclosures such as user manuals and operating instructions that are provided with the items by the manufacturer

Product information sheets and fact sheets– educational and sales tools provided by manufacturers or suppliers when stock is ordered or developed in-house by an organization specifically for its staff and customers

- Technical specifications – files that may not be supplied to the general public but are kept on hand to answer occasional technical questions and for reference by staff and installers
- Shelf talkers – in-store signage supplied by manufacturers that provides basic information to customers
- Advertising materials – promotions in newspapers and magazines, on billboards and posters or in stand-alone flyers and brochures.
- Electronic product information materials: Electronic and online options may also be available in hard-copy form. Here are examples of electronic sources.

- **Manufacturer websites:** These often contain generally available information for consumers and password-protected areas for industry personnel giving access to additional product information, pricing details, and delivery and order protocols.
- **Email newsletters:** These are free regular updates with information on new products, selling points, promotions, personnel changes and industry events.

1.3.5. Industry events

Industry events are good sources for networking and seeking further information. Events may be local, interstate or overseas and can take many forms. Here are some examples of industry events.

- **Exhibitions, trade shows and sales conventions:** a wide range of suppliers and manufacturers present information on their products.
- **Seminars conducted by an industry body or a peak group or association –** members and interested parties meet to discuss nominated topics.
- **Product launches:** a manufacturer releasing a new product onto the market holds an event to create interest and inform sellers/retailers about the product.
- **Product rebranding:** a company re-releases an existing product, renaming it and repositioning it in the marketplace.
- **Product demonstrations:** demonstrators or sales representatives tell potential on-sellers all about their product lines and show how to use (and sell) them.

1.3.6. Information from competitors

Information from your competitors may be freely available to the general public or it may be specific information you have asked for and obtained when posing as a purchaser. Information from your competitors may be freely available to the general public or it may be specific information you have asked for and obtained when posing as a purchaser. Examples of this information are:

- verbal advice provided by sales staff in response to queries
- sales literature include brochures, information sheets and general point-of-sale materials
- price lists and catalogues
- draft contracts and letters of offer

- advertisements
- Online information such as websites, blog articles and social media channels.



Figure 1.5; Offline Sources of information's

1.3.7. Strategies for determining reliability and validity

Determining the reliability and validity of an information source involves a combination of approaches. You need to undertake a personal assessment of each source prior to using the information provided, which involves making your own judgment based on the factors that are important for your role and the work your sales team is required to deliver.

To help you in this process, you can:

- Ask senior staff at your organization which sources of product information they use and why they use them
- Talk to your personal industry contacts and ask them what sources they use and what they think are the relative merits
- Search online to see whether the source has been
- Criticized for errors or bias and how that criticism was answered
- Test sources to find out whether the nature and quality of the detail are suitable for you and your work in practice
- Talk with customers to find out their responses to the information provided to them from different source.



Figure 1.6 online source of information

Strategies to support the team: Team leaders can use their knowledge of product features to support their sales team. Here are five sales steps that can be used to assist a sales team in reaching its goals.

Generate lists: Generate lists that identify the features of nominated products in an easy-to-use format.

Hold training: Hold training, briefing or brainstorming sessions to explain and explore the product features. Provide handouts and supporting material.

Use role-play: Role play sales situations; demonstrate how to use the features on the list to sell a product, then get team members to take turns in the roles of salesperson and customer.

Highlight USPs: Highlight the unique selling points (USPs) of your products and your organization, so staff can bring these to the attention of customers.

Compare and contrast: Compare and contrast similar products, including those options or models in your product line, as well as those sold by the competition.

Numerical skills: The term ‘numerical skills’ refers to the application of arithmetic and mathematical techniques to the manipulation of figures. You and your team may need numerical skills to:

- add, multiply, divide, subtract and perform percentage calculations in order to calculate relative values of products
- show comparative value-for-money options
- perform cost-benefit analyses
- help customers identify the most suitable choice for their needs
- Understand and explain the physical dimensions of a product

1.3.8. Product strength and weakness

The following are generic and indicative examples of product strengths and weaknesses.

Always keep in mind the customers’ needs, as they may be willing to accept a perceived weakness (such as no discount for cash payment) because they simply prefer to pay cash and see this as strength of the service provided.

Similarly, a product that has a number of safety- related warnings may be perceived by some to be too complicated, but for others this is a sign of responsibility and accountability on the part of the manufacture



Price, quality and safety

Price:-the amount of money paid by the customer for the product; an important consideration, but not the single deciding factor

Strengths:

- Cheaper than another brand or model
- Cheaper than what the competition is charging for the same thing
- Quantity (bulk) purchase prices/discounts available
- Discount for early bird purchases
- Discount for cash purchases

Weaknesses:

- More expensive than other brands or models
- Competitor stores or online businesses offer same product at lower price
- Same price for an item whether customer buys one or 20 items
- No discount for cash payment

Service provision: The service delivered by the organization, the staff and the suppliers/manufacturers as part of the overall selling process.

Strengths:

- Clear exchange, replacement and refund policy
- Formal and publicized complaint-handling policy
- Prompt and informed service
- Organization also does repairs and maintenance
- Organization also sells spare parts at reasonable prices
- Wide range of payment options
- Support services such as training, delivery, set-up, installation, removal of old item

Weaknesses:

- No formal returns policy
- No formal complaint-handling policy
- Poor service provision by sales and other store staff
- Products have to be sent away for repair or service
- No spare parts available or they are very expensive
- Cash-only payment or lack of standard payment options
- Limited or no after-sales service

Operation: The practical use of the product

Strengths:

- Product is user friendly
- Manual and operating instructions are comprehensive and well written
- Novices find the item simple and easy to learn
- Item integrates with other products/systems

Weaknesses:

- Product is difficult or complicated to use.
- Manual and operating instructions are insufficient, incorrect or poorly written.

Availability: The accessibility of the product

Strengths:

- Plenty of products in store or in inventory
- Short lead time for orders to be delivered
- Reliable supply

Weaknesses:

- Limited or no stock in inventory
- Lengthy delay between placement of order and delivery of item
- Item is not a regular product line or available only on a seasonal basis

Product guarantee, warranties

Guarantees: A guarantee is a promise made by a seller to a buyer that if a product does not meet certain standards, the buyer is entitled to some form of compensation. In Australia, consumer law mandates a minimum guarantee for all purchases of goods and services under \$40,000.



Organizations can choose to offer their customers extra guarantees, in addition to these basic rights. For example, a company could make the following guarantee. If you don't agree with us that Smiths Slippers are the comfiest Slippers you've ever worn, return them to us within one month for a full refund, no questions asked.

This guarantee is in addition to the legally mandated requirement that the slippers should be of acceptable quality.

Consumer guarantees

The Australian Consumer Law (ACL) sets minimum guarantees for purchases made by consumers of under \$40,000. The consumer guarantees apply to:

- new products
- second-hand products
- sale items
- Items bought online from an Australian business.

Here is more information about minimum guarantees under the ACL.

Goods under the ACL, goods under \$40,000 are automatically covered by a blanket Guarantee

The item must be of acceptable quality:

- able to be used for the purpose for which it is sold
- safe
- free from defects and faults
- of acceptable appearance and finish

Performance is as advertised and as a reasonable person would expect. The item must comply with promises and descriptions made about it, including any verbal promises made by sales staff. The item supplied must match the models or samples used, shown or displayed during the sales process. Customers must get free and unencumbered title to goods when they pay for them. Spare parts or repair facilities must be available for a reasonable time after purchase. For further information, visit the Australian Competition and Consumer Commission website at: www.accc.gov.au and select 'Business' and then 'Treating customers fairly by Offering warranties'.

Details of a warranty

A warranty commonly names the business (the warrantor) and indicates that evidence of purchase is required for warranty claims. In addition, a warranty usually: Describes the extent of coverage; for example, ‘that the product will be free from defects for the warranty period’ stipulates the warranty period that applies to the item, specifies exclusion clauses the manufacturer will seek to rely on, if the product has been misused, abused, used contrary to instructions, incorrectly installed, modified or altered By the user, repaired by anyone else other than authorized personnel, or used with products specifically named, details parts or items covered; for example, ‘including accessories’, excludes loss of data, if the item is capable of storing data, provides a ‘statement of remedy’ explaining the warrantor’s intentions regarding repair, replacement and/or refund, and affirming that the product is covered by (and nothing in the warranty detracts from) the provisions of the Australian consumer law Advises customers how to avail themselves of the warranty service, such as listing where to send the product for repair

Service support: Service support (or sales support) is a generic term referring to both the mandatory requirements imposed by law to protect consumers and also the optional services an organization may choose to provide to its customers. It is important for team leaders to understand the kinds of support that are available to customers in order to communicate this to their team. This could be done by including services in sales-related role-plays and training so the sales team can practice their application. Team members can highlight and use service support as appropriate during the sales process; ensure service support is explained to potential customers as and when necessary during the sales process; and use the service support to address customers’ identified barriers and convert potential sales into results.

You can familiarize yourself with the types of service support available by:

Reading internal store policies and operating procedures

Talking to management, peers and experienced staff

Participating in formal internal organizational training

Self-check 1	Written test
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Name..... ID..... Date.....

Directions: Answer all the questions listed below.

Test I: Choose the best answer (4 point)

- Consumer guarantees applied to_____?
 - Online bought product
 - New product
 - Second-hand product
 - All
- The amount of money paid for the seller by buyer is called?
 - Packaging
 - Place
 - Physical evidence
 - Price
- If xyz – a company re-releases an existing product, renaming it and repositioning it in the marketplace is called?
 - New brand product
 - Existing brand product
 - Re-branding product
 - All are correct except C
- All are produce cost except?
 - Promotion
 - Product
 - Price
 - Place
- From the following which one is odd?
 - Product
 - Place
 - Price
 - packaging

Test II: Short Answer Questions

- List weakness of service provision

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Operation Sheet 1

Use the following sales steps that can be used to assist a sales team in reaching its goals.

- i. Generate lists
- ii. Hold training
- iii. Use role-play
- iv. Highlight USPs

LAP Test

Name..... ID..... Date.....

Time started: _____ Time finished: _____

Instructions: Given necessary Steps, and procedures you are required to perform the following tasks within 1 hour. The project is expected from each student to do it.

Selling Product and Service Worksheet:
Product or Service

Description

Marketing Period/Season

Target Demographic

Product Features

Materials

Productions Steps

Variations

Quality

Cost	
Price	
Service Features	
Instructions	
Packaging	
Shipment	
Staff Required	
Quality	
Cost	
Price	

LG #2	LO2 #: Converting product knowledge to benefits
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Instruction sheet 2
<p>This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:</p> <ul style="list-style-type: none"> • The meaning of buyer appeal • Unique selling points of a product • Determining buyer preferences • Discussing product benefits <p>This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:</p> <ul style="list-style-type: none"> • Describe The meaning of buyer appeal • List the Unique selling points of a product • Determine buyer preferences • Discuss product benefits
Learning Instructions:
<ol style="list-style-type: none"> 1. Read the specific objectives of this Learning Guide. 2. Follow the instructions described below. 3. Read the information written in the information Sheets 4. Accomplish the Self-checks 5. Perform Operation Sheets 6. Do the “LAP test”

Information Sheet 2

2.1. Identifying potential buyer for features of product

Identifying potential buyer for features of product Successful sales team leaders must be able to: Show their teams how to identify customer requirements, demonstrate how to identify the features of products and services that have potential buyer appeal, encourage their team to convert those features into benefits in order to optimize the likelihood of a positive sales outcome.



2.2. Buyer appeal

Buyer appeal refers to the features or qualities of a product that make it attractive to potential customers. In practice, these features are called benefits. Sometimes there may be one strong, single factor influencing customer buying behavior, such as price, and sometimes there is a mix of factors such as price, color options and availability.

These motivating factors are as individual as the customer. All salespeople need to be able to determine what the customer sees as important and why. This must always be the focus of sales Pitches, because the aim of a good salesperson is to find the product that best matches the customers' requirements even if the customer isn't quite sure yet what they need.

2.3. Identify customer preference

Before you can promote one particular product feature over another, you need to understand and confirm a customer's preferences and needs. You should use a range of communication skills to do this, including active listening.



When describing products, make sure the language is clear and easy to understand, as there may be technical language or jargon used by manufacturers or suppliers. Where you need to be specific, include a definition or explanation.

Feature (fact or characteristic)	Benefit (for customers)
Is a discontinued model	Is being cleared at cheaper price
Is made in Australia	Can be serviced locally
Is the latest release or version	Provides most up-to-date features
Weights one kilogram	Is light; easy to carry/move
Produces XYZ standard products	Saves money
Operates on AC or DC power	Offers flexibility
Is collapsible	Stores easily
Is made from recycled materials	Is environmentally responsible
Comes with three-year warranty	Gives peace of mind; provides security
Is produced to strict, stated specifications	Gives confidence in quality
Is pre-cut	Saves time and effort
Is made from cotton	Is lightweight and breathes
Produces one copy every 2 seconds	Saves time

2.4. Discuss benefits

Identifying product features, converting them into benefits that will be valued by a customer and communicating them to that customer are all essential parts of the social and interpersonal exchange that is at the heart of all retail transactions. Being familiar with product benefits optimizes sales outcomes for the customer and for the organization. Sales team leaders must explain and demonstrate to sales staff the importance of the following aspects: Features are important to the processes but only as the basis for the conversation and not as the focus or the end in itself. Perspective, it is the benefits that provide them with what is most important to them. Features tell but benefits sell. Because customers can readily see the features of a product, they do not need much time spent on these issues.

What they may not realize is the benefits the product can bring to them; this aspect demands extra time and more attention during the sales process. Sales professionals should strive to sell the benefits, not the features. The sales process is a personal thing and the focus must always be on the customer and what is best for them, so describing the benefits illustrates how their needs can best be met. Be careful of not overselling and be sure the benefit really does help the customer.

Example: convert features into benefits

Aaron works as a spare parts interpreter for a major country truck and trailer dealership. He has just taken delivery of a new range of shock absorbers suitable for trucks, buses and trailers.

He decides to follow standard practice and develop a list of benefits for the products, drawing on the listed features of the shock absorbers as identified by the manufacturer, so others in the spare parts department can pass on this knowledge to help their customers. He makes sure that any technical terms are explained to customers who may be unfamiliar with them.



Product name: Mighty Mackay Monster Movement Modifiers (5M)	
Source of information: Company website: www.mmmmm/spares.50.45.41.htm Service manual Advertising/POS material Product packaging	
Features	Benefits
40, 45 and 55 mm internal bores	Provides smoother/softer ride Causes less damage to suspension components Allows tailoring of ride to suit individual road conditions and load type Enhances level control Fits all H1, H2, H3 and H4 vehicles (1965–current), front and rear, all trailer types
Greater body size	Gives enhanced lower internal pressure and better heat dissipation, leading to longer life of pistons and rubbers
Casvolpax® fluid	Reduces noise and provides optimum heat absorption Extends piston and seal life
Single cast unit	Eliminates welds, providing increased strength and durability

2.5. Other organizational policies and producers

There are many other organizational policies that could become selling points. Make sure your staffs are aware of all the services your organization offers and the benefits these could bring for customers. Here is more about organizational policies and procedures that can become selling points.

Pricing: will the store sell the item to a customer at the marked price even if the item has the wrong price ticket on it? Does organizational policy allow a salesperson to sell at a lower price? Often, policies that allow a small discount may provide a real benefit to the customer.

Giveaways: - does your store run promotions in which the purchaser receives a gift if they spend a certain amount or buy a certain product? Make sure you are aware of such promotions.

Lay-by: what conditions are in place for lay-bys? Lay-bys are a great benefit to customers as they can secure an item when it is available, but they must be informed of and understand the conditions before signing up.

Availability: - knowing that there is stock available (even if the salesperson has to phone another branch) is a benefit to a customer as they won't have to wait for the product.

Delivery, installation and set-up:- free delivery within a certain area is generally seen as a benefit for a customer. Is there a policy for after-hours delivery?

Customizations: - Is there a policy that goods can be customized to suit customer preferences? Is there a cost associated with this service? Customizations enable the product to be tailor-made to suit the needs of the individual and may save the customer time and trouble.

Miscellaneous services: - Alterations (free or for a small fee) save customers time and they purchase a product that suits them and meets their needs. Gift-wrapping enhances the appearance of the item and saves the customer time and money. Do you have a parcel hold counter, customer toilets, baby-change facilities, personal shopping service or any other service or facility that could help your customer?

Self-check 2	Written test
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Name..... ID..... Date.....

Directions: Answer all the questions listed below.

Test I: Short Answers Questions

1. Discuss the characteristic of product

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2. Discuss the benefits of product for customers

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3. Describe the factors that influence customer buying behavior

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LG #3	LO #3 Evaluate competitors' products
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Instruction sheet 3	
<p>This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:</p> <ul style="list-style-type: none"> • Competitors Product information sources • Competitors Product Comparison • Communicating product benefits <p>This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:</p> <ul style="list-style-type: none"> • Identify Competitors Product information sources • List product comparison basis • Communicate product benefits 	
Learning Instructions:	
<ol style="list-style-type: none"> 1. Read the specific objectives of this Learning Guide. 2. Follow the instructions described below. 3. Read the information written in the information Sheets 4. Accomplish the Self-checks 5. Perform Operation Sheets 6. Do the “LAP test” 	

Information Sheet 3

3.1. Competitors Product information sources

Identifying a range of information sources

Very few organizations have the luxury of operating without competition. For most businesses, the trading environment is dynamic and competitive – new stores emerge and new products are released, all vying for limited customer dollars. To be successful, you need to know who your competitors are, what their products are, where they are located and what they are doing to attract customer attention and make sales.

Implicit in this is the need to analyses opposition stores so effective action can be taken to respond to their product and service initiatives, prices, offers and other sales and promotional activities.

3.2. Competitors Product Comparison

Here is an outline of the 5 Ps as used in competitor analysis. Remember that ‘products’ is used as a general term describing anything sold or offered by an organization, whether it is goods or services.

Product

- Types and range of products
- Brands, makes and models
- Options available
- Customizations services
- Product features and benefits
- Support services (pre-sale and after-sale)
- Packaging and labeling
- Branding and brand recognition (image and status)
- Match to target market

Price

- Standard prices charged, pricing structure
- Loyalty schemes
- Discounts – type, amount, eligibility criteria
- Specials, deals, packages, sales
- Price points
- Set-up and running costs, consumables

Promotion

- How they advertise – TV, radio, newspapers, magazines, billboards, social media, online
- Where they advertise – specific publications or media outlets used; location billboards
- When they advertise – days of the week; times of the day; seasons
- Who they advertise to – target m Promotional campaigns being used – including those aimed at sales staff and/or agencies (for example, bonus schemes; sales competition markets, demographics.

Place

It is the place where your product or service is actually sold. Develop the habit of reviewing and reflecting up on the exact location where the customer meets the sales person. Sometimes a change in place can lead to a rapid increase in sales.

Packaging is the wrapper or counter of the product and develops the habit of standing back and looking at every visual element in packaging of your product or service through the eyes of critical prospect. Remember, people from the first 30 seconds of seeing you or some elements of your company. Small improvements in the packaging or external appearance of your product or service can often lead to completely deferent reactions from your customers.

3.3. Communicating product benefits

Communication practices: - When communicating the relative standing of your organization's products against competitor products, consider the following points:

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Be honest – all information provided must be truthful and never misleading or deceptive

Never argue with customers; they have a right to their opinion

Do not put pressure on them to buy – you may get a sale, but the customer will leave feeling unhappy

Target the presentation – to the identified needs, wants and preferences of the individual

Highlight the differences to draw distinctions between products

Avoid disparaging the competitions' products or service – customers view this as unprofessional

Highlight weaknesses or deficiencies in competitors' products – in a polite, factual manner

Emphasis points of likeness, where appropriate – to provide reassurance about similarity between items.



Example of Establish relative standing of your organization's products

Jasmine is working with a member of her sales team, Robert, to help in the sale of a new queen-size bed to a demanding and well-informed shopper. Jasmine: Robert tells me you are interested in the new Lorelei Queen Customer: Yes, I want one for my daughter. She's getting married and I said I'd buy her a bed, but I'm not sure I can justify the price you're asking ... the store up the road has a similar one at \$800 less. Jasmine: Certainly \$2350 is a lot, but this bed is made from Australian hour pine, top of the range, recommended by the Australian Bed and Blanket Association and guaranteed for 10 years.

The mattress features the latest 250 independent mono-springs, 20-zone, self-acting air-ride system – yes, I know that’s technical talk, but it means the surface adapts to the individual body size and weight and can be pre- programmed for density and temperature: useful in our changeable weather.

Customer: Yes, but the other store has the same brand of mattress. Jasmine: True, but that’s the previous generation support system, which only has 17 inter-locked springs per row, no temperature control and the standard mattress top without the air-ride system. I think your daughter and her new husband would appreciate the extra comfort and better night’s rest they’d get from the mono-spring system. And we offer free delivery of the new bed and mattress and free pick-up of any old bed and mattress. That costs around \$150 at most other stores.

Customer: That’s good about the delivery, but I’m not sure if they’d ever use the adjustable base. Jasmine: That’s a consideration a lot of people mention and I understand how you feel. Lots of other customers who consider a new bed have felt the same way, but the different positions the base can be configured into helps relieve pressure on body parts and joints, and our Lorelei Queen purchasers say they have found this to be a really useful function for them. Let me demonstrate it for you and then you can have a go and see what you think.

Self-check 3	Written test
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Name..... ID..... Date.....

Directions: Answer all the questions listed below

Test I: Multiple choices

1. We define a _____ as anything that can be offered to a market for attention, acquisition, use, or consumption and that might satisfy a want or need.

- A) Private brand
- B) Service variability
- C) Service
- D) Product

2. You just lost a major account because a competitor provided the most complete system to meet the customer's needs and solve the customer's problems, and made the sale. In other words, the competition beat you with _____.

- A) Solutions selling
- B) Team selling
- C) cross-functional skill
- D) Customer relationship management
- E) Promotions

3. Another name for systems selling is _____ selling.

- A) Solutions
- B) Blanket contract
- C) vendor-managed inventory
- D) Negotiated contract

4. There are many factors considered in government buying, but _____ is, above all, the most important.

- A) Price
- B) Product differentiation
- C) Advertising
- D) Personal selling
- E) Packaging iodic purchase

5. _____ are a form of product that consists of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything.

- A) Line extensions
- B) Services
- C) Brands
- D) Consumer products

Test II: Short Answer Questions

1. Good service companies focus attention on both customers and employees. Describe what the service-profit chain and internal marketing are, and how they differ from each other?

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2. Give examples of the second level of product, the actual product

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Note: Satisfactory rating - 5 points

Unsatisfactory - below 5 points

Reference Materials

Books:

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