

Utilizing Microsoft Excel for Marketers

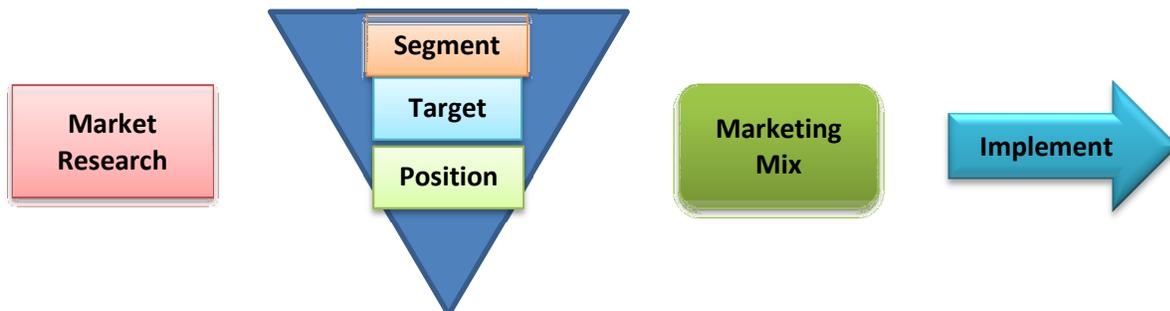
By Palani Murugappan



Understanding the marketing process

In the quest for knowledge, it is often the one who has the vision to seek meaningful and current information and the ability to analyze it quickly will be a step further than the competitors. One needs to understand the market needs and wants and package it in an innovative manner to achieve high growth. Successful marketers know what information is important and how to get the information together.

To reach the end users i.e. the customers, a resourceful marketer understands the mindset of existing customers and provides products and services that fulfill their requirements based on a changing lifestyle. Here is where for anyone to be successful in marketing, one should understand the simple logic of the marketing process as follows:



In the Market Research stage, data is collected via means of primary and secondary data collection. The primary data includes direct customer interviews, online surveys, etc. Secondary data collection usually is via research articles and/or compiled statistics from reliable sources. It can also incorporate an organization's sales data history.

In the Segmentation process, existing customer and prospects are categorized into segments. A profiling is done on them based on factors such as geographical location, industry, etc. However, to create new and profitable segments, this needs to be analyzed in more details.

The next stage of Targeting the customers, after segmenting them, requires you to look deeper into the group's vital statistics such as sales, profitability, product/services offered, etc. and determine which will be most successful. The marketer needs to know which of these groups the ideal customer is. This is where a compilation of past customer data behavior will greatly help to show future indicators.

Once customers have been segmented and targeted, the next stage is to position them. After gathering the data and analyzing it, you are ready to position the chosen segment targeted in terms of various strategies such as pricing and innovation. Marketers will position the product/service in a way that the alternatives may not appear attractive or appealing. This is where the collection of past data behavior helps.

Upon positioning the customers, the Marketing Mix (Product, Price, Place and Promotion, or also known as the 4 P's) is to be applied. These four ingredients of the marketing mix focuses only on these four items and nothing else. Marketers need to have a good understanding and grip on these four items.

The next implementation stage requires a strategy. How will you make it happen? This is where advertisements, trade shows, exhibitions, billboards, online bulletins, all come in place. Note that these activities are supposed to be done after all the analysis and planning, not before.

You will note that in every of the marketing process steps above, data analysis is required. An existing tool to perform the analysis is utilizing Microsoft Excel.

How Excel can help in marketing

When you have data, it can be formatted and presented in different ways. However, to draw conclusions from data, analysis has to be performed. Let us look as to in what ways Excel can help us in marketing data analysis:

- Budgeting for a new product (and product launches)
- Performing competitive analysis
- Creating a marketing plan
- Performing market and marketing research
- Analyzing pricing analysis and strategy
- Seeking new customers
- Identifying market trends and emerging markets
- Monitoring trends
- Customer satisfaction analysis
- Analyzing new opportunities

Besides the above, we can further look into product management too:

- Pricing and margins expected
- Future sales estimates
- Forecasting
- Launching a product
- Tracking and monitoring new product introductions
- Analyzing sales reports
- Scheduling and rescheduling of new product introductions

Analyzing sales and marketing data

The sample data based on the different regions below illustrates Quarterly sales figures for the first 12 months of the year. This is raw data compiled for the first year of operations of an organization.

	A	B	C	D	E	F
1	Month	Region	Qtr 1	Qtr 2	Qtr 3	Qtr 4
2	Jan	North	259	215	336	299
3	Feb	South	458	440	252	382
4	Mar	East	174	393	382	109
5	Apr	West	145	439	268	109
6	May	North	181	262	248	136
7	Jun	South	288	484	193	233
8	Jul	East	321	318	150	460
9	Aug	West	242	108	190	272
10	Sep	North	142	159	218	106
11	Oct	South	180	141	195	334
12	Nov	East	152	477	453	194
13	Dec	West	394	168	379	295

What analysis can we perform from the above? Let us create a criteria as defined in cells I2 to J3 as illustrated below.

	I	J
1	Criteria	
2	Region	Qtr 3
3	North	>200

We want to Excel to give us details of North Region with Quarter 3 sales figures greater than 200. In other words, let us say the management requires the following details:

1. The average sales figure for the North Region with sales exceeding \$200
2. The total number of months in the North Region with sales exceeding \$200
3. The total amount in the North Region for sales exceeding \$200
4. The maximum value in the North Region for sales exceeding \$200
5. The minimum value in the North Region for sales exceeding \$200

First and foremost, one has to understand what the question requires. Upon understanding, most users who do not have sufficient knowledge in terms of application of functions will sort the data by Region and attempt to perform calculations of the above.

Excel has an amazingly quick way of solving the above problems. By utilizing the Database function category, the problems can be solved quickly with the following answers.

Daverage	267
Dcount	3
Dsum	802
Dmax	336
Dmin	218

Note that besides solving the problems quickly, the user also has the option of changing the Region from one to another as illustrated below. This is achieved by using a built-in feature of Excel.

H	I	J
	Criteria	
	Region	Qtr 3
	West	>200
	North	
	South	
	East	
	West	

The above produces yet a different set of answers for the same formulas.

Daverage	324
Dcount	2
Dsum	647
Dmax	379
Dmin	268

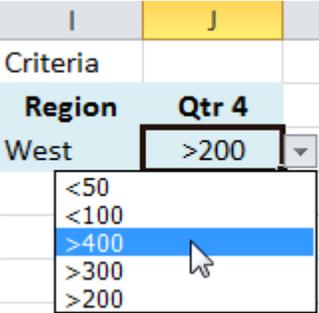
Now, we are not limited to just changing the region. The user also has the option of changing the Quarters from 1 to 2, 3, or 4, using the same built-in feature of Excel.

I	J
Criteria	
Region	Qtr 4
West	
Qtr 1	
Qtr 2	
Qtr 3	
Qtr 4	

This produces a different set of figures once again.

Daverage	284
Dcount	2
Dsum	567
Dmax	295
Dmin	272

Finally, we also have the option of defining our own “logical tests” below the selection of Quarter header. Again, this utilizes the same feature of Excel as that used for the selection of Region and the different Quarters.



Presenting the data

Many Excel users utilize the various built-in functions to perform specific calculations. However, Excel is capable of analyzing data based on the combination of built-in functions and features as in the illustration below. A drop down list is created where the user has the option of selecting any of the 12 months by clicking on a specific month, or scrolling the vertical scroll bar and selecting a month. In the illustration below, the selection of August displays the four quarter results.

		Qtr 1	Qtr 2	Qtr 3	Qtr 4
	Aug	242	108	190	272

By scrolling to the bottom of the list and selecting December, the four quarter figures are updated automatically as below.

		Qtr 1	Qtr 2	Qtr 3	Qtr 4
	Dec	394	168	379	295

One of the quickest way of analyzing raw data in Excel is the use of Pivot Tables. By applying the Pivot Table, we are able to summarize our raw data to be presented by Region as follows:

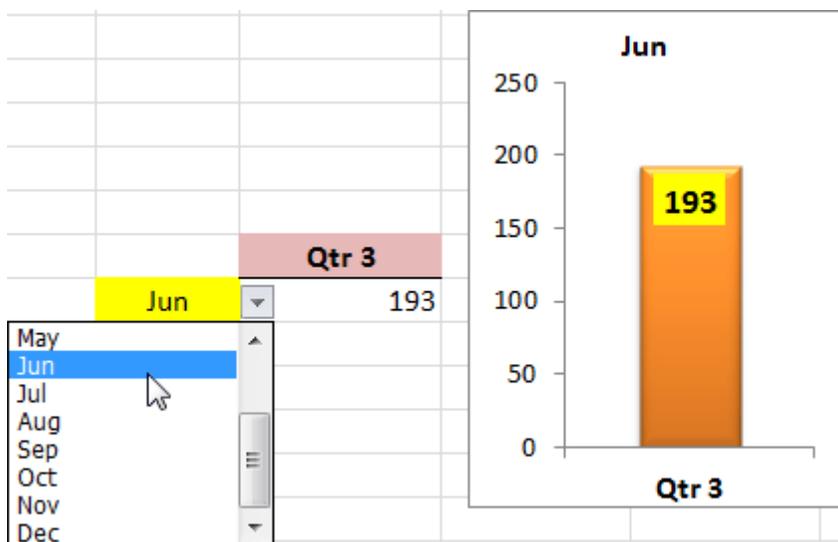
Row Labels	Sum of Qtr 1	Sum of Qtr 2	Sum of Qtr 3	Sum of Qtr 4
East	647	1,188	885	763
North	409	536	86	341
South	656	965	540	949
West	381	715	737	476
Grand Total	2,093	3,404	2,248	2,529

Notice that despite performing a summary using the Pivot Table, the “oomph” factor appears missing. To incorporate this, another built-in feature of Excel can be applied to enhance the appearance of the above Pivot Table as illustrated.

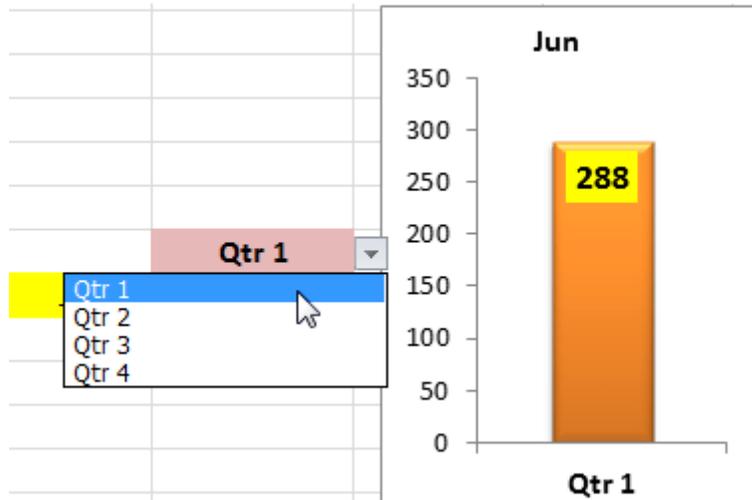
Row Labels	Sum of Qtr 1	Sum of Qtr 2	Sum of Qtr 3	Sum of Qtr 4
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Visual presentation of data

The saying “A picture is worth a thousand words” cannot be truer. Excel perfects this statement when a user is able to convert the analysis of data and present it in a graphical manner, such as chart. In the illustration below, the user has the option of changing the month by clicking on the drop down arrow and scrolling through the list. The display for the Quarter 3 sales figure is plotted on a column chart with the value inserted within the column.



Should the user change the Quarter to another, the column chart updates itself automatically, with the corresponding changes to the Y-axis as illustrated.



The examples illustrated above is a snapshot of what the author covers in some of his 2-days training sessions. Having been a corporate trainer for the last 14 years, Palani specializes in training participants how best to perform data analysis from company's raw data and concluding from the information gathered by harnessing Excel's built-in functions and features. A HRDF certified trainer and author of 51 books to-date on various software applications, Palani is passionate on what Excel can do, and how best to present data in different formats. More information is covered in his website www.avimursolutions.com. He can be reached at palani@avimursolutions.com

