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You Should Know...

Getting Older?

The median age of US audiences for TV shows is now 53.9 years old while the median age for the country is 37.2 years old reports *The Washington Post*.

The Point: Younger people must be doing something more interesting.

Check Check Check

Sixty-five percent (65%) of US Smartphone users check their devices for email on average 53 times a day reports *The Wall Street Journal*.

The Point: I bet some time while they're driving.

Working Harder

Americans work an average of 41 hours a week compared to 38 in the UK, 37 in Germany, and 36 in France. In addition, 30% of American workers work on weekends.

The Point: The two-week vacation is a memory.

Football and Money

Forbes reports that the NFL's 32 franchises collectively are worth more than $45 billion. That's twice the value of all the MLB and NBA teams combined.

The Point: It's TV money.

Mega Party

The German Red Cross reports that between 7,000 and 10,000 people will require medical attention at Oktoberfest in Munich this year.

The Point: Must be really good beer.

October's Quote

"Tact is the art of making a point without making an enemy."

Isaac Newton

Sales Forecasting and Price Increases

The time of the year is upon us when we need to forecast sales for 2015. Every professional marketer dislikes this task because you can't win, it really is a matter of art as much as science.

Two words of caution, however;

- *Don't ever straight-line last year's sales growth, ever.*
- *Develop a list of the variables that will affect your sales forecast,* address each individually in your marketing/ business plan, and be prepared to change the forecast at least quarterly.

That said, how aggressively, if at all, should you increase prices in 2015?

At the rate of last year's growth (again don't straight-line)? Growth in GDP? Growth in employment or output of your industry? Growth in your key market segments?

The answer is none of the above.

You need to first divide your products into three baskets:

- *Those in the embryonic/early growth stage*
- *Those is the growth/mature stage*
- *And those in the declining/ harvest stage*

The majority of your price increases should be assessed on products in the last (declining/harvest) stage.

The tendency is to do the opposite and reduce their prices as demand falls so as to maintain sales volume in units. This, however, results in declining not growing profitability.

Once the market (or your competitors) have moved on to a different product/technology it is your responsibility to maximize the profit that product can produce in the last phase of its lifecycle.

Products in the first "basket" (embryonic/early growth) may actually need to have their prices reduced both to increase volume and to reflect the opportunity that lower factory costs bring as volume increases.

Price increases for the middle basket (growth/mature) will depend largely on whether you are the market leader or a distant follower. If you are the leader, it's likely that other competitors will match your price increases or at least increase theirs somewhat to take advantage of the opportunity.

The general rule for this group is the more differentiated the product, the more aggressive the price increase can be.

The Point: Cutting prices on your slowest selling products (those at the end of their lifecycle) is the wrong thing to do. That is when they are most profitable and they should be aggressively harvested so as to fund investment in marketing, R&D, and engineering.

Top 10 US Imports

Product	Value (Billion)
Electronics	$266.6
Oil and gas	$213
Transportation equipment	$180.2
Chemicals	$155.3
Heavy machinery	$87.8
Apparel manufacturing	$66.9
Primary metals	$55.6
Coal	$54.7
Fabricated metals	$40.1
Food	$37

Source: Top 10 of Everything