

Market segment

[Finance](#), [Market](#)



In the previous section I have described my product as a fun, loveable franchise. I believe this to be the case and these are the grounds in which my product will reach its audience and high profits. Supported by the research I found, it is obvious that success will come if I capture the attention of all my customer's and make the brand like many big and popular cafes in town centre which my business locates.

By applying the strategies I have chosen I am meeting the requirements found to be successful and compete with the leading products within this market because today, more and more people are planning to build a new business because business is likely more profitable than ordinary workers. So that I will be very much making my own plan and decision on how to grow this kind of business which is a cafe. Another problem encountered for all businesses is how to price their product when releasing a product. This is the most important thing when managing a business.

Because if the correct price isn't applied it can have large negative results, too low and you can lose brand image and too high and you can be risking the loss of sales. It is known that the higher the price of a product the less demand there will be. I saw through my research what customers are willing to spend and the average price of competitor's products, example of the cafe business I researched is Starbucks - this company provides a large amount of money to make it easier for their customers to buy a product like they pay a lowest price to make more customers buy and come.

With this knowledge at hand I appropriately placed my product within the price range found to be accepted and the most popular. As for pricing

strategies I decided on using penetration - which means I set a low price of my product which is to increase my sales, and psychological pricing means I set my own designed about my prices I made, examples is I selling a shortbread in 29p - means that I selling this product in 29p instead in 30p or other prices. By using penetration pricing I am hoping to attract and gain a large audience and then take as much money of them as possible after gaining customer loyalty.

Physiological pricing will help the introduction into the market be more successful, giving value for money and creating awareness for the product. Used together and successfully my products price will be within the area found to be most acceptable in my target audience and capitalise on high profit margins. Another problem is there will be always a risk of inflation taking an unwanted negative turn on my product which is happen every month or year when the economy takes risk or something. Inflation in business world has the power to boost prices up and reduce customer's expendable money.

Unfortunately this is a factor that is unable to control and will also influence other products in the same market segment. So although it has an unwanted negative approach, it won't have a large effect and won't damage brand image to my business. I believe were I have placed my products to be sold is the best situated of my product and will have a successful impact on the profit scale. Other methods wouldn't have the desired effect I wish upon my business and would hinder any chances of competing with leading brands,

example of this popular brand company are Starbucks, Costa and other leading brands.

Through promotion I have shown methods I wish to use, mainly through leaflets or in small billboard because I have a limited budget to promote my product, so that I decided to use this promotional method for my cafe. On the recently research on promoting my product, I believe the method I have chosen will make my business explode into the market segment and situate itself as one of the leading brands, a place where I aim my product to remain. Conclusion: I have explained all influence and how I wish to use them to apply my product into its market segment and capitalise on sales.

All my choices have been made was supported by my own research previously shown and show promise to be very successful. I believe my products will enter the market and through its advertising be a force in the coffee segment. Its price and look will help ensure a unique quality at an affordable and respectable price for my customers. My marketing mix of my business has the criteria to ensure a successful of my business and create my own product that will compete at the higher ends of the market segmentation.