

Standardization amongst markets and divisions

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



Globalization brings together people and systems despite the distance across the globe. Companies all over the world leverage on this upward trend by introducing integration and standardization amongst markets and divisions. It is a natural fact that companies then need to understand how one product may or may not fit the preferences of a given market. Standardization or adaptation has certain ramifications in market suitability and appeal which simultaneously affects the internal operations of the company - be it positive or negative.

The acceptability rate highly depends on whether the offered product or service of the company is meeting a demand; otherwise, we find no need for the product to be in existence. Market demand varies across the universe. What is true in the Americas may not be up to standard in Asia or in Africa. In this paper, we will be specifically analyzing the intricacies in UAE with regards to marketing activities. In terms of market penetration, what are the factors that may serve as a catalyst or an impediment to ensure the deliverables in the UAE region?

In terms of the recipients of the marketing messages, what are the communication channels that will work best in UAE? Other than the demographic and sociological factors, what other rudiments is needed to be evaluated to ensure sustainability and competitiveness of the product or service? For operations, would standardization be more appropriate and cost-efficient than market adaptation to a single product or service? What is the level of competition in the existing industry, if any?

Other than these questions that directly relate to UAE, it is also important that this paper is able to address market similarities within the Middle East or

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the Arab region. To reiterate, the following questions delve with: a. UAE and its governing elements b. Consumer behavior in UAE c. Product attributes that addresses the market demand in UAE d. Level of competition Therefore, given the above circumstances and conditions, the problem imposed is that with the researched market behavior of the Arab region of UAE, how will this impact the management decisions and operations of a company functioning overseas?

Objective of the Study In order to address the abovementioned, this paper aims to: **Primary** a. provide information on the receptiveness of the Arab world in relation to international marketing; b. determine feasibility level of various marketing communication channels in UAE; c. describe the research methodology and the rationale for deploring such; and d. discuss the managerial and operational implications of this marketing study **Secondary** e. identify similarities in regions across the Arab world; f. categorize UAE in terms of commonalities with the rest of the world;

In addition, the data evaluation section will attempt to compare and contrast the applicable communication channels in UAE against the rest of the world. The objectives enumerated clearly put the uniqueness of a certain locality, in this case UAE, and the need to comprehend the intricacies of its people and their preferences. The purpose of this study is to be able to examine and bring out in the open the possible prevailing relationships in UAE that impacts marketing efforts especially of companies beyond its borders.

If UAE is indeed a special case and different from the rest of the world, are there consequences involved in terms of regulatory commissions in trade & commerce? In print and broadcasting media? These will all be covered in this

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marketing study. Significance of the Study The major findings of this marketing study on the effective communication channels in UAE will be able to shed light on the rather often misunderstood region in view of marketing penetration. In this day and age, the focus has always been centered on the Western world, or in Europe, or in growing India and China.

The Middle East tends to always be on the backseat when in fact, they are the tigers humming in silence, waiting to be tapped. Industrialization and foreign trade in UAE is already booming, with its government in full support. Given this potential, the paper attempts to put forward the avenues for market approach and access that may be found attractive for foreign direct investments to pour in the region. Another area of significance of this marketing assessment is that it is able to realize the value of market differences - that one cannot generalize that what is true for one locality is likewise true for the other.

This is a challenge tasked upon marketers. How well the research is will be reflected in the response generated. Literature Review Prior to analyzing the subject of UAE in the context of marketing, we need to identify and define first what elements in marketing will be necessary in dissecting this market. In doing so, we are able to determine what communication channels will work best for this Arab region. First and foremost, let us define marketing in scholarly terms. Marketing According to the American Marketing Association Board, a new definition for marketing was adopted as of August 2004.

Marketing, as defined, “ is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and

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its stakeholders. "(Marketingpower. com, 2007). The relationship holds true between the organization and the customer in this definition, thereby highlighting the value of a win-win affiliation for sustainability. Another subtopic under marketing that is vital in delivering the output of this paper is Market segmentation. Market Segmentation

Market segmentation is the partition of a market into different identical groups of consumers which enables companies or firms to customise the 4Ps or the marketing mix for specific market segments, thus better fulfilling customer needs (Quickmba. com, 2007). In tailoring the marketing mix, it does not necessarily translate into changing all the elements. The pricing may change but the promotion remains the same. The characteristics of a market segment should have the following fundamentals: • measurable - it should be quantifiable and not abstract;

- accessible by communication and distribution channels - the market segment should be reachable enough so that communication channels are able to deliver the marketing messages effectively;
- different in its response to a marketing mix
- durable - should not be changing too abruptly
- significant enough to be profitable

The bases for segmenting market may highly depend on one's marketing research and managerial decisions. Markets can be segmented or divided in various foundations, and they may come out differently on whether they come from a consumer market or a trade market, as described accordingly:

Consumer Market Segmentation One can identify four primary bases on which to segment a consumer market: • Geographic segmentation is based on regional variables such as region, climate, population density, and

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population growth rate. • Demographic segmentation is based on variables such as age, gender, ethnicity, education, occupation, income, and family status. • Psychographic segmentation is based on variables such as values, attitudes, and lifestyle (Quickmba. com, 2007). • Behavioral segmentation is based on variables such as usage rate and patterns, price sensitivity, brand loyalty, and benefits sought.

Business Market Segmentation Trade markets are divided based on the operational functions of a certain industry, as follows: • Geographic segmentation - based on regional variables such as customer concentration, regional industrial growth rate, and international macroeconomic factors. • Customer type - based on factors such as organization size, industry stability, value chain positioning, etc. • Buyer behaviour - based on factors such as loyalty to suppliers, payment schemes, usage patterns, and order size (Quickmba. com, 2007). Through market segmentation, profiles of the market are created.

From these profiles, the attractiveness of each segment can be evaluated and a target market segment selected. After profiling, the appropriate communication channels need to be ascertained. In this regard, what is the communication channels being utilized in marketing? Depending on the consumer behavior and reciprocity of the market, communication channels may vary according to the senses - sight, sounds, taste, and touch. The kind of material being used for print advertisements, broadcasting media, billboards, print collaterals, and the like all fall upon the common denominator of them having an impact on one's sight.

In line with this, line of sight is crucial if one aims to capture the eyes of their target market. Enabling the material to become predominant and striking without sacrificing quality and delivery of the message is the primary task of marketers with this target framework. On the other hand, commercial jingles, background music of product launches, theme songs of movies and TV shows all address the communication channel through sounds. When there is a high recall of the melody of the jingle; when the lyrics of the song are clearer than ever; there is a great probability of market reach and penetration.

Through sounds, messages are portrayed to the public as to what the product or service is all about. Through sounds or music, the look and feel is already being created in the minds of the listener. It is therefore important that all implications, double-meaning circumstances, padded messages, are all taken into consideration to avoid stepping into sensitive issues. Finally, another communication channel that is rendered through a person's senses is one's touch and taste.

The texture of the material of the product packaging, the weight of the item, the overall presentation creates the connection between the seller and the buyer. At first instance, when the appeal for sight is not satisfactory, people won't even bother to grab it or have a closer check on it. However, if it the product is successful enough to entice its customers to stop and look at the item and consequently hold and/or taste the actual thing, then only at this point is the channel for the sense of touch and taste are assessed. We have discussed so far the communication channel that utilizes the various senses.

In relation to this subtopic, various communication channels can be described further under the category of sense of sight and sounds - the world of media and advertising. Media, as the word connotes, is a number of medium or channels for a certain purpose or idea. In common terms and what is universally-accepted, media often relates to the press people, the news, the music videos, all these and more. Its main function is to naturally be the middleman between the source of information and the recipient of the information.

Given this valuable role in the communication chain, it is crucial that this medium does not alter in any way the original message. It should not be relaying a different story altogether from what was originally intended. It has always posed a challenge to comprehending the relative effectiveness of various media for marketing communications. However, with the recent materialization of the internet or the world wide web (www) and mobile phone means has somewhat made it even more complicated in arriving at decisions on how to distribute and deliver resources across certain types of media (Danaher, 2006).

In this paper, we will be assessing various types of media, including traditional mass media like television, snail mail and radio, and the usability patterns of modern digital media such as the internet and cellular phones. The survey will also attempt to set comparisons across media on certain characteristics of consumer behaviour, such as the media's dependability, credibility and expediency. Marketing managers in this modern day and age continually faces a wide and assorted choice of media for sending marketing communications to clients (Danaher, 2006).

These may be in the form of the significantly and often widely-used, internet, and mobile phone communications, which includes short messaging systems (SMS), instant messaging systems (IMs) and cell phone TV. Mega-firms such as Amazon, Ebay, Yahoo and Google, has generated much its own language (URL, website, link, home page), and its own advertisements (pop-ups, banners and skyscrapers). Over the 20th century, the internet is becoming an integral part of the work environment and of every household of millions of people around the globe (Danaher, 2006).

With these rapid changes in communication tools, traditional media such as television, snail mail and newspapers are expected to decline (Danaher, 2006). The significant change contributed by these new technologies is the info-at-hand concept - the one-stop-shop deal. Given the fast-paced environment of the new era, time has indeed become a luxury and rather quite expensive to waste. Nevertheless, despite the emerging test from new media, traditional channels of one-on-one sales visits, voice-only telephone, mail, and mass media continue to be strongly patronized by the majority (Danaher, 2006).

Again, marketing managers, ask themselves questions that may positively or gravely affect their communication channels in existence or their strategies accompanying it, such as:

- o How do marketing managers determine from the diverse options of the many traditional and new channels which will be suitable for delivering marketing communications messages?
- o What are the ways of receiving marketing messages do customers prefer?
- o Which channels, or media, are proven to be most effective in obtaining a response?

o Will the current circumstances eventually enable that e-mail messaging will become the leading marketing communication channel? o What about mobile communications? How does it fair against other communication channels? Therefore, it is also imperative to observe and monitor the consumer behaviour and reactions of consumers towards these communication channels and determine which of the new and the traditional channels are no longer effective or rather a potential medium for communication (Danaher, 2006).

In the communications literature, several studies have been presented for deliberation regarding the features of alternative media best acquainted for specific communication purposes, with the elements selected in accordance with the theory of “ uses and gratifications” (Danaher, 2006). This theory elaborates the basic components of a communication chain: receivers, message and senders. Communication receivers have specific needs and orientations, such as the need for information, data and understanding. Different media may be able to meet these needs up to certain extent (Danaher, 2006).

For example, in varying degrees and circumstances, the printadvertisement may be seen or perceived to be more informative than television, while television is more entertaining and engaging (Danaher, 2006). In our study, we can break down several key media into a list of traits and subsequently, rank them on the basis of their attainment of these attributes or traits. The attributes serve as the performance indicator between the receivers’ needs and how these needs can be fully satisfied by senders of communications (Danaher, 2006).

According to the study generated by Danaher in 2006, these previous reviews were designed for general communications, and not particularly resting upon marketing communications per se. In essence, to date, there has been no comprehensive theoretical study of media for marketing communications, and no recent review of media attributes relevant to the communication chain between senders and receivers of marketing messages. While it is important to document the apparent advantages and disadvantages of traditional and new channels, marketing managers are also keen in understanding the intricacies in “bottom-line” effectiveness (Danaher, 2006).

According to Lasswell in 1948, “the definition of communication is who (source or sender), says what (message), in which channel (medium), to whom (audience or receiver), with what effect”. Therefore, communication is considered to be successful or effective, if the sender is able to match the channel that the receiver prefers. Suppose a sender goes with his personal preference in choosing a medium, the probability of deviating from the medium preferred by the receiver is most likely.

If message effectiveness is the ultimate decisive factor, therefore, it is important to find out whether media variance is less effective than the theoretically recommended practice of media matching. This is in addition to what our survey would try to find out - the receptiveness factor of the message receivers and the attractiveness of varying communication channels (Danaher, 2006). In order for a communication channel to be an effective tool for marketing, it should be able to meet a need.

One can only be considered effective if it is productive, timely and resourceful. Therefore, a channel is only able to be classified as such if it delivers the marketing messages to the right individuals or group of people in a timely manner, and while utilizing minimal resources. In addition, it is necessary that the communication channel is far-reaching. It cannot be too limited in scope and reach in a locality as this will defeat its purpose of increasing exposure to gain recall and deliver efficiently the marketing message.

Most importantly, a communication channel can only be considered as effective if it is able to fit in the market it will be utilized. The natural make-up and cultural diversity of that certain locality need be incorporated in the conception of the communication channel. Other official topics need also be identified and put into action, such are patenting issues and ethical concerns. This is critical especially if a competitor is involved. No one wants to be the follower in ideas and marketing initiatives.

Every one wants to be the leader - mindset of competing industries. This case shows how important it is to devote time, effort and enough resources in crafting the right communication channel for the target market to garner positive and valuable results. To cite an example in relation to UAE as our main focal point of interest in this paper, a Marketing Strategy Forum 2006 was hosted by the Institute for International Research [IIR] to deal with the current Marketing and Advertising techniques currently practiced in the Gulf region.

The forum included Fadi Matar, Corporate Communications and Marketing Services Head at Dubai Bank, who provided insights into Marketing Strategy, <https://assignbuster.com/standardization-amongst-markets-and-divisions/>

Customer Relationship Management, Brand Management and Digital Marketing (Ameinfo. com, 2006). Matar discussed several imminent issues through a technical presentation entitled 'Tracking The Effectiveness Of Your Marketing Spend. ' Issues tackled included the efficient monitoring of communication channels, proper budget allocation and the best ways to successfully monitor advertising promotion (Ameinfo. com, 2006).

According to Matar, the corporate environment of the Middle East is maturing and rapidly evolving and that it is important that companies gather to evaluate their marketing strategies to effectively manage their marketing performance (Ameinfo. com, 2006). In addition, he also noted that understanding how to effectively carry out advertising in the Middle East is a critical and timely matter as the past several years has shown the market growing more competitively and aggressively, while its viewers have become increasingly sophisticated and media savoir-faire (Ameinfo. com, 2006).