Market segmentation and targeting

Business, Marketing

1. 0 Basic Introduction

Like with most ecommerce startups, the initial planning and implementation stages are very tedious and nerve racking. Without proper planning and coordination, even the best-laid plans can fail. There is no one-way on going about doing this process, however there are several guidelines which one could follow for assist.

One of the toughest part of any ecommerce startup would be the question, " how are we going to sell our products". Like mentioned above, there is truly no one standard way by which someone could do this, many books have under-laid heaps of different ways and methods one could use, though all seeming different, they basically have the same ideology behind them.

If you can get this basic ideology right, then there might be a higher chance of success in the startups. I would now try to explain further into the ways and methods we could go about selling our products.

2. 0 Market Segmentation and Targeting

Before doing any other steps to selling our products, we would need to do some market segmentation and subsequently identify our target market. In accordance with our product offering, it is highly essential for us to segment our market to identify our target market, as without doing this step we would miserably fail to forecast accurately any future profits and target benchmarks. It would be as good as " sailing in an open sea" without any proper directions.

With proper marketing segmentation we can clearly identify our target audience and so would and could easily create better working relationships with them. This only builds to better our holdings on the already competitive market place.

With our product range, which has a great variety of magazines and specialized state news, we could easily segment our market and thus subsequently derive our target audience. We know all of our segmented audience would have to be literate and at the same time have some basic knowledge in operating a computer. We have two options to the ways our audience derive their products from us, basically in softcopy, through online web reading, or as hardcopy, which are send to them through the mails.

We could segment our audience in accordance with their preferences of the hard or soft copy of the product offering. We reckon most of our customers are busy individuals, who are constantly on the move and would thus greatly appreciate and require the online version of either our magazines or news. As per of news offering, it is specialized to states and thus this busy individuals, could easily beat the huge hassle of going through other state news, which might not of any interest or use to them. Also there would no be any advertisements in the news, as these busy individuals would not have the pleasure of time to read them.

We could further segment the market, to their age and professional levels. Young users would generally have better likings to news that offers more sports coverage while the older users would like news that offers more contexts in what's happening around the globe. Also with our massive

magazine range, of sports, fashion, world news, entertainment and the lot, we could easily target the audience each of these would attract. Generally speaking the younger target market would prefer and subscribe to magazines that offers them sports, fashion and entertainment while the older age group target audience would subscribe to magazines that offers them more worldly news such as the technology and financial news.

As we have identified our target market, we can now go about making our product more attractive so as to win and retain these target audiences.

3. 0 Our Product

Before we jump right into our product offering and the ways and means we think and would make it more attractive to our target market, we would firstly need to evaluate the core product at hand.

Like with any product offering, we would need to evaluate what are our core product, actual product and lastly the augmented product (Kotler, 2001: 335).

Our core product is basically what are the core benefits and/or services offered by us. The core product in this case would definitely have to be news coverage, in either soft or hard copy, through magazines and news.

Our actual product would our product with all the extra bits and pieces added to make it more attractive to our target audience. With an already established brand name, our product would definitely have a mark of quality in them. We could then go on to add in further details to the products like

making it more stylish, adding in more features, like graphics, and for the hardcopy version, having a very stylish packaging style that would definitely please. We would also have to make the online version of the product in a format that is not too huge for our customers to retrieve to their computers, as most users would be on a dial up and with huge file size, it would take heaps long to open and read the news.

The augmented product is basically what's offer with the product. One of the key aspects of these would be great after sales service, like after sales customer services. We could offer online help services to our customers on any difficulties encountered while reading or downloading their news or magazines. We could make the latest software made available to our customers to download into their computers, so as to make their machine work better with the product. We would definitely have to install CRM softwares, which would greatly help in these building up of relations with our target market. With this CRM software, we could easily make our customers more at home with us, by sending them personalized greeting cards on their birthdays and stuffs. To better retain customers we would have to give them a sense of belonging and this CRM software is a great tool in achieving this.

4. 0 Marketing Techniques

As we have discussed above, before we could even get on with any marketing techniques, we would have to have done the above. As failure to do the above would and could greatly lead to a failed startup. Before marketing a product, it is always essential to know and understand our target market and our product. Once we have gathered the appropriate

information we can then go on to our marketing techniques to gain more coverage.

Even though we are an already established company, we have never been online before and are taking this bold move for the first time. So we would thus require several marketing techniques to gain web awareness for our online store. As we have already gathered the required information on our target market, it would be easier on us to go about on our marketing techniques now.

There are several ways by which we could go about marketing our online store. We would outsource certain parts of our marketing campaigns to professional advertising companies, who have the knowledge and expertise to gain us the right exposure desired. Companies like, Marketing Angels, offers great ranges of marketing techniques by which our online store could be better recognized and exposure (www. marketingangels. com. au). Advertising techniques like having banner placements at popular websites like Yahoo and Microsoft Hotmail would certain help in the search for more exposure for our store, as millions of users visits these sites everyday (Appendix 1). Proper indexing of our store would be crucial as search engines would pick out the keywords from our webpages and this would greatly affect on how our store is placed at this search sites. We could also pay for our sites to be listed on major search engine websites like Yahoo and Goggle (Appendix 2). As millions of users visit these sites, we are definitely going to gain exposure from these.

As taken from a recent article from the Sun-Herald, on the 12th October 2003, there has recently been developed a new advertising techniques, which is already taking the advertising industry, by storm. Its called " Whisper marketing" and its simply is the usage of whispers among people to pass the messages around (Sun-Herald, 12/10/2003). One of the pioneer in these new advertising field is an advertising firm called, Love PR. They would send their group of marketers into the streets to spread around the " whispers" of the advertising news (Sun-Herald, 12/10/2003). We would engage the services of Love PR for their services, as we would require the maximum exposure and in the quickest of time and judging from this phenomenon success this could truly help us gain a strong hold on the market (Appendix 3).

Marketing techniques like customer relationship management (CRM) is also a key aspect in selling any product. The idea to get the customer might be easy but retaining a customer would definitely get tougher if it's not done properly. The usage of proper CRM tools and software could easily help us get over this problem. Certain tools like the customization of personalized greetings cards to customers on their birthdays, the proper timely and orderly answer of any questions and stuffs like would greatly help to build a better and working relationship with our customers. Satisfied customers would always bring in more customers and a dissatisfied would only drive away current and prospective ones.

Thus with the usage of proper advertising tools and methods we can not only gain more customers but also help retain them, which only serves to do us better good.

5. 0 Why Us?

The biggest question would always be " why us", what do we have that our competitors don't. Well what we offer is the latest and most accurate news delivered on time and every time at the convenience of our customers. Be it in hard or softcopy, our news would be news that's simply devoted to news and its context, no extra bits and pieces of advertisements, which you see everywhere else on other papers. Also news are also catered according to our customers state and so the customer could choice or not to read news from other state. This would clearly save the average busy individuals heaps of time from reading through news that are not applicable to him or her.

We also offer the best product stylish and graphic context. We intend to be a leader in the market for news, which are read in context, and not just plain old boring news. We intend to be the leader in the best packaging, for our hardcopy, styling and after-sales services.

With a 128-bit encryption technique on our payment gateway server and also not having our payment gateway server as our portal server, we do have other very high-end software installed that promises to offer the best possible security there is to offer, so all our customer would not need to have any fears of having their details, like their address or credit card details, being misused.

What we offer might be similar to our competitors; however what we can do about this is to simply be the best in that offer. With our massive investment to building our CRM databases, we know and feel that our customer would stick with us throughout. We feel to better ourselves and our business, we would have to constantly evolve and be always on the look out for better serving technologies that would better our customers and alternatively ourselves. Thus with all our CRM tools and softwares, we are heading in that directions.