

Good example of business plan on marketing plan for j.c penny

[Business](#), [Company](#)



J. C Penney is regarded as one of the leading clothing and home furnishing retailers in the USA. This demonstrates that the company has access to quite a larger target market due to the main retail stores that it has set up in the country. However, the company's target market is mainly composed of the middle class families who are the biggest consumers of the apparel and home furnishing products. Consequently, with the recent economic crunch that has resulted to devastating financial crisis among the country's middle class, the company is determined to have an overhaul of its current targets market (Mattioli & Zimmerman, 2011). The company is striving to change the demographic composition of its target market. For a long period, the company has been relying on the middle class which is majorly made up of the elderly people of the country. The economic downturns have led to shrinking of the middle class, a situation that puts the company at risk of losing its target market.

However, the management of the company is now formulating strategies to assist them in wooing the youths as a potential target market of their products and services. The company recognizes that the younger population of people below the age of 35 years also forms a possible target market which would be viable in the long term given the fact that young people still have more time to spend on apparel and furniture's. The company also recognized that its former target market was more sensitive to price and also have organized shopping ways than shoppers at competing discount stores. Hence, the company's target market would be composed of the youths and the country's middle class. The company projects an immense growth given the increased target market that would be able to sustain it to the future.

The company has therefore, formulated approaches to expand its youthful and trendy products to take advantage of the youths in accessories and apparel. However, the company's secondary focus is to continue satisfying its initial market of the middle class by offering them their preferred merchandise, as well as presenting promotions for that market.

The marketing strategy put in place at J. C Penney is set to increase the size of the target market by close to double. Conversely, with the shrinking of the American middle class, the company's potential target market was negatively affected and thus there was a slight reduction in the primary target customers (Mohammed, 2012). Thus, if the company would be able to incorporate the youths as a target market then the size of that target audience would double up the existing number. J. C Penney has developed its 4P's of marketing so as to accommodate the ever changing market trends and consumer needs. The new chief executive officer of the company Ron Johnson has come up with a complete redesigning of the company's brand image that seeks at altering the 4 P's of marketing as a way of revamping J. C Penney's image by 2015. To begin with, Johnson made a promise that there would be no changes with regards to the product quality of the company's products. However, the company seeks to increase the number of brands present so as to offer the consumer with more preferences to choose from.

The new CEO promised to add more than 100 product brands to the existing product portfolio by end of 2015. The company produces power brands which include; American Living, Studio, Worthington and St. John's Bay. The company's products are made of high quality and thus, have the capability

to attract attention from the consumers to make purchases. Secondly, the company has formulated a new pricing strategy that seeks to offer low prices to the consumers. The company has adopted a pricing approach that they describe as “Fair and Square”. In this strategy the company has gotten rid of clearance sales and instead established a three rank pricing system that seeks to improve the consumer’s utility (Mohammed, 2012). The first rank comprises the daily low price which is a regular price that is believed to be 40% of their competitor’s price.

These products are denoted by a red sticker in the retail stores. The second rank is made up of the special monthly sale products which will have prices discounted lower than the regular daily price for any given month. This rank of products is denoted by a white sticker inside their retail stores. The final rank of products entails the best price offered to clearance merchandise and this shall occur for selected products to be sold every first and third Friday of the month. Consequently, the company has eliminated their entire sales promotions from their pricing strategy; this demonstrates a comprehensive overhaul of its pricing. Thirdly, the promotion function of the company has also been reformatted and the company has cut on promotional sales in their new strategy (Mattioli & Zimmerman, 2011). The current promotional approaches adopted by the company include; collaborating with People’s StyleWatch magazine where in store displays highlighting their products are featured in the glossy magazine.

The company has also undertaken a campaign dubbed “Who Knew” which targets youths and women to showcase fashion that was not previously offered by the company. Lastly, the placement aspect of its marketing

strategy seeks at improving their retail stores setting so as to attract more customers. Foremost, the new CEO has proposed the reorganization of retail stores such that customers would be served in the centre of the store while the products will be found on the perimeter. Furthermore, brand name apparel lines would be offered in small spots in the retail stores that will be referred to as “shops”. This will go a long way in saving time for majority of consumers who have a tendency to shop particular brands in the store. In conclusion, the marketing strategy adopted by the company is meant to make things easy for their customers from the pricing strategy to the placement strategy used by the organization.

References

Mattioli, D., & Zimmerman, A. (2011). J. C. Penney lures away target's marketing chief. The Wall Street Journal. Retrieved from <http://online.wsj.com/article/SB10001424052970204524604576608851276736670.html>

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