

The elements included in market potential marketing essay



4. 0 INTRODUCTION

According to Cooper, Emory, 1995, in Business Research Methods, literature review is defined as section examines recent (or historically significant) research studies, company data, or industry reports that act as a basis for the proposed study. On the other words, literature review is an in depth study about the research topic, by searching as many information's in order to critically evaluate the results of the research for the purpose of proving the hypothesis in the research.

4. 1 COMPREHENSIVE STUDY ON MARKET POTENTIAL FOR THE RESEARCH TOPIC

4. 1. 1 Definition of market potential

According to personal. umich. edu, market potential is defined as the capacity of a location, such as a country, to become or to grow as a demander of goods and services that outside suppliers might provide. Various measures of market potential are provided especially for emerging economies, intended as guides to exports and foreign direct investment. On the other words, market potential is a measure of probable demand for a product or service in a classified geographic area. Hence, based on the case scenario, we would like to know can seaweed be marketed in Ampang area. In order to determine whether seaweed can be marketed or no, the study of market potential for seaweed is being applied. Related to that, there are elements in market potential need to be followed to get accurate results. From the market potential information, researcher will be able to determine and analyse markets for seaweed by the sales, awareness, taste, perception, price of the competitor product, purchase patterns and so forth.

<https://assignbuster.com/the-elements-included-in-market-potential-marketing-essay/>

4. 1. 2 Elements included in market potential

4. 1. 2. 1 Target market

The first elements that need to be considered in market potential are the target market and market segment for the product. According to bodyscan.human.cornell.edu, target market is defined as a set of people from the population to which a company wishes to sell. Target markets are typically defined by demographic information such as age, income level, ethnicity, or interests, and not by body size or shape. In other words, target market is a specific group of people that a company focus to do a research regarding their marketing plan for the products or services. For example, in researching information for seaweed, we have identified that the target market for seaweed is health conscious people. For instance, according to health.learninginfo.org, seaweed contains a lot of nutrients which can help to cure diseases such as cancer. The health conscious people will be one of the potential customers to buy this product.

4. 1. 2. 2 Demographic

Demographic is commonly refers as the study on people population regarding their age, gender, income, race, education and so forth. By determine demographic, researcher will be able to know general information about a population at a given time because demographic data consists of statistics about people. Related to that, demographic data will give information for the market potential of the product, such as seaweed.

Demographic will provide useful information for the researcher such as people income level. It is because, customers are really special that they are differs in their needs and wants based on the income level etc. For example,

<https://assignbuster.com/the-elements-included-in-market-potential-marketing-essay/>

some customer who has higher income level will buy the seaweed product more often and in large quantities vice versa. Related to that, we have outlined that potential customer are located at Ampang and the total amount of residents are 574 300. Therefore, we will do a research about the income level, race etc based on the data.

4. 1. 2. 3 Income level

Income level is the average earnings of individuals. Income level is essential to be consider in market potential research as the information about income level will guide the researcher on what kind of product that the customer will buy such as a BMW car or a Proton car, how much quantity will potential customer buy for the product such as in small amount or large amount and how often the potential customer will buy the product at a moment as well as the average consumption such as in a month, how frequently they buy the product. For example, our group have outlined that the appropriate buyer for seaweed come from the middle class income which is RM 700 to RM 7, 000. It is because, seaweed product is affordable and cheap. It will encourage the buyer to buy seaweed regularly because seaweed is a choice of vegetable in the daily diet.

4. 1. 2. 4 Consumer behaviour

In consumer behaviour, we would like to determine what is the customer perception about seaweed such as “ do you think that seaweed is good for health” and their opinion about the taste of seaweed whether it is very good, good, average etc. The consumer behaviour also will provide information about how many seaweed products do they purchase and how often they buy seaweed. From the information in the questionnaire results, we will be <https://assignbuster.com/the-elements-included-in-market-potential-marketing-essay/>

able to conclude that whether seaweed can be marketed in the Ampang area or no after determine seaweed have the market potential in that area. As a result, seaweed have a small market potential in Ampang area since the many of the customer are likely identified that seaweed is good for health.

4. 1. 2. 5 Competition

According to wordnetweb. princeton. edu, competition is defined as a compete for something. In other words, competition is refers as two or more company strives to achieve their same goals. It is essential for a market researcher to determine the competition aspect, it is because, competition information will give information about the competitor product and the market share in the industry. For example, our group are necessarily would like to know about the competition for seaweed product because we want to know what is the competition in the industry, who is our competitor, what is our market share, and the market potential to be develop. So, it is important to know the competition information in order to know market potential for our product.

4. 1. 2. 6 Economic in term of price of the product

The economic factor is also important in determining market potential for the proposed product that is seaweed. It is because, economic will give information on what will people pay for the product. So, it is necessarily for our group to identify the customer preferred price for seaweed and their opinion whether seaweed is affordable to be purchased. Therefore, we will be able to know the market potential for price placing for seaweed food product in the market.

4. 1. 2. 7 Government incentives

Market potential for seaweed become more large as the government give full cooperation on supporting, developing and commencing seaweed in Malaysia. For example, according to moa. gov. my, government of Malaysia have estimate to spend RM 1. 96 billion to help the agriculturist in expanding their business especially in seaweed. So, this point is important in considering market potential for seaweed for our group as the market potential for seaweed is increasing with the government support.

4. 1. 2. 8 Ethnicity (Race and Culture)

On the other hand, the market potential for a product is also determined by the ethnicity of the buyer. It is commonly refers to the race and culture of the potential customers. For example, seaweed food is usually linked to Japanese, Chinese, Korean etc culture. It is because, the seaweed will be used in their cooking such as Sushi, soup, Kim Chi and so forth. Hence, it is important to know what are the potential customer opinion about seaweed regarding the race and culture that normally seaweed linked to. Based on the result, the most race or culture which being mentioned will reflect to the most race or culture that will buy the seaweed products.

4. 2 HOW THE LITERATURE REVIEWS APPLY TO THE RESEARCH

4. 2. 1 CRITICAL ANALYSIS ON DEMOGRAPHIC AND MARKET POTENTIAL OF THREE DIFFERENT AUTHORS OBTAINED FROM SECONDARY DATA