

# Marketing management hmv assignment

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Aimed Saber Music Submission Deadline 19th December 2012 Introduction  
HEM which stands for “ HIS Master’s Voice” Is a British entertainment company which mainly known as a recording label. Currently the company has operations In 4 countries united Kingdom, Ireland, Hong Kong, Singapore; and they have 273 stores in all over these 4 countries. The company is also a public limited company listed on the London Stock Exchange.

In the early day the company used to only sell albums ND sign artists the now the company had to change themselves in order to compete with the fast moving world. So, now the company has an e-tailing site where they and sort of entertainment goods starting from smart phones, pod, pad, speakers & headphones, games, DVD movies, Blur-ray and everything. The site also allows their customers to buy music online and download games. The company also provides tickets to the customers for shows all over the United Kingdom, so the HEM customers are easily getting what they want on the company’s website.

Recently they launched under their “ The Studs’ section where they sell clothing and accessories. They also sell books and poster. So the company sells various kinds of product under one name. Background The first HEM store was opened in Oxford Street in 1921. In their logo the dog’s name is Nipper is listening to His Masters voice over the gramophone. In 1966 the small HEM store started expansion as it was getting popular, and after ten year with thirty five HEM stores it was the largest music retailer in the united Kingdom.

The company had operations in Australia, United States of America, Japan and India. Some of them were closed and others were bought by other music company. Due to huge implosion the company could not survive in these countries. This 90 year old company's motto is to bring the artist and the customers closer. SOOT analysis is a marketing research method which helps an organization to evaluate its Strength, Weakness, Opportunity and Threat. A SOOT analysis can be carried out for a product, place or person. It also involves identifying the objective of business or a project.

It identifies the external and internal factors of a business which can be favorable or unfavorable to attain the objectives. \* Strength - A company's specialty which will give them competitive advantage. Weakness - A company decline sector which cost the company to have a disadvantage in the competition. \* Opportunity - External chance to improve the \* Threats - External elements in the environment which can cause company. Damage to the company. HEM Strength: \* Extensive market presence: The first HEM store was opened in 1921 at 363 Oxford Street, London.

Since then till now HEM has gone on to open 200 stores all over I-J and approximately 20 live entertainment venues and festival. (<http://www.humorous.com/about-us/facts-and-figures.aspx>) This activity enables them to give a major marketing advantage. They have one stop solution for music lovers; all of their stores are located in prime shopping district which means more human traffic. They provide physical outlet for giving preview on upcoming CDs and movies. \* Established entertainment brand: Since HEM was one of the first label company, they are very well established in the music industry.

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Famous artists/bands like Rolling Stones, Beatles have recorded labels with HEM and all these bands are at top level in the music industry. Because of this they can allow consumers to get badge autographed by celebrities.

Weakness: Lack of marketing: If there is no brand awareness then consumer will not be encouraged to consume Hems product. – \* Locations: they have a very limited location because they only focus on prime shopping areas.

Opportunity . \* Key developments: They mainly need to focus on movies and music, as it is their main sector.

More growth in books and gaming sector. Due to stiff competition in the advertising allows consumers to take note of the brand name. They should open more physical outlets around I-J, currently they only focus on the prime shopping district, but this is causing them to lose market in other areas.

Growth in Auk's Ameliorating: In 21st century people are more comfortable consuming goods online. Every few people now a day actually go to the store and buy goods, other competitors of HEM are following e-commerce and they are way ahead of HEM in online retailing.

To get their market back they need to get into Auk's online retailing thoroughly. Threats: \* Rising manpower costs – Hems lack of technological innovation is causing them to keep more employees for service where as these type of services can be done easily with technology in a very cheap cost too. HEM is losing half of their income by employing employees \* Highly competitive markets- companies like Sony music and Virgin music are taking over Hems market very easily, they are giving offers to the artist which HEM can't because they don't have enough financial support.

Segmentation, Targeting, Positioning (STEP) iris strategy is for the organization to help them to present or bring their product or services to the customers in a much sophisticated manner. Segmentation: Segmentation's objective is to break the market into components, regroup into market segments and finally select which segment is to target. Targeting: Organization or firm targets a certain kind of group of people, or which kind of customers uses their product or service more often. Targeting helps to reach those customers mind by giving them what they need specifically.

Positioning: Position is the primary component of the STEP strategy, or the theory of the positioning can be based on the science of perceptual strategy. This system concern how the product or services will be presented to the customers, how they should advertise or promote their product, so that the customer won't buy from their competitors. As for HEM, they have managed to carefully design their segmentation. Now they have 328 stores worldwide and an e-tailing site, which means their products are easily accessible.

The HEM should target a specific market of the young generation such like as age group of 15-25 years old. This group of people is the most frequent buyers of the HEM services. Well, basically HEM is a record label company so they should prioritize on music other than their other services. So, they should open up a new website only for their music lovers, for example “ hummus's. Co. UK” this will help them to sort out the music customers and the customers for their other products, so he customers buying music can easily see what's new and which one the blockbuster.

Promoting their service, HEM should try more to advertise or promote their music package via backbone, as now everyone uses backbone. They should keep loyalty this is how they can keep the customers away from the competitors, for example, if HEM gives away offer like if a customer is a member, for every transaction they will earn points, and at the end the month for the points they have stored, they can download music for free. As no one else is offering this kind of offers, the customers will eventually come to HEM music to buy their music.

But for this kind of promotion, effective positioning is needed to be done. People will not know about the offer if the word is not put inside their mind. So, HEM needs to advertise via radio, television, billboards. In this case HEM can put stands or Boss on every corner of the busiest streets in the United Kingdom and promote and explain their offer to the people. For successful marketing STEP strategy, this music company needs a separate Infinite for music, as selling everything under one roof is very congested and people Nail get confused.