

Consumer durable product essay sample



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In this assignment we are going to see the segmentation, targeting and positioning of a consumer durable product. We will also see the marketing mix of that product and how the company uses it to segment the market and how it targets and positions itself.

Theoretical Background:

Marketing Mix.

Marketing mix is the set of marketing tools that the organization uses to achieve its marketing goals in the target market.

There are many tools of marketing mix. They are classified into four major tools called the four P's of marketing mix, which are as follows:

a) Product:

Product is the most basic marketing mix tool. Product is anything tangible that a firm provides to the market. It includes the quality of the product, its design, features, branding, and packing.

b) Price:

Price is the amount of money that the customers pay for the product.

c) Place:

Place is another important marketing mix tool which includes the various different activities the company undertakes to make sure that the product be available to the target customers.

d) Promotion:

Promotion is also a key marketing mix tool. It includes all the activities the company does to promote its products to the target market and to create awareness of its products and to stimulate people to buy the product.

Market Segmentation.

Market segmentation is the division of a market into different groups of buyers who might require different products or marketing mixes. It is the division of a heterogeneous market consisting of buyers with different needs and wants, into homogeneous segments of buyers with similar needs and wants. Therefore, the segments are heterogeneous between (i. e. all the segments are different, e. g. one segment all males, one segment all females) themselves, but homogeneous within (e. g. within the male segment, all buyers are male; within the female segment, all buyers are female).

Segmentation is important as buyers have distinctive needs and wants. In segmenting a market, marketers look for broad classes of buyers who vary in their needs. There is no one right way of segmenting markets. A marketer has several bases available to him for the segmentation of markets.

The four segments of marketing:

Geographic segmentation – In geographic segmentation the market is segmented according to the geographical area. It can be segmented according to nations, states, cities, climate etc. This is done because needs and wants are different in different parts of the world. Like woolen clothes

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are more sold in colder regions like Russia, Switzerland, etc. air conditioners are sold in hot climatic areas like the deserted Middle Eastern countries.

Demographic segmentation – In this type of segmentation the market is segmented on the basis of characteristics of population. It is segmented by bearing in mind the age, gender, income, family size, education level etc.

Psychographic segmentation – Here Buyers are divided on the basis of life style or personality.

Behavioral segmentation – In this type of segmentation buyers are divided according to their buying behavior. Market can be divided like say for airline passengers into frequent flyers, seasonal flyers and occasional flyers.

Target Market Selection:

After evaluating the various market segments, a company must choose one or more of these segments to make up its target market. Therefore, a target market is a set of buyers with common characteristics which a company decides to serve. The company has three market-coverage strategies available to it in selecting target markets.

1. Undifferentiated marketing

A company adopting an undifferentiated marketing strategy would ignore differences between market segments, and approach the market as a whole with one market offer. This strategy focuses on common buyer needs rather than what is different, and is designed to appeal to the largest number of buyers.

2. Differentiated marketing

A company utilizing a differentiated marketing strategy targets several market segments, with separate marketing mixes for each segment.

Differentiated marketing has become increasingly popular with companies.

3. Concentrated marketing

A company with a concentrated marketing strategy concentrates on a large share of one or more segments. This strategy can be useful to a company with limited resources.

Positioning:

A key step in marketing strategy, known as positioning, involves creating and communicating a message that clearly establishes the company or brand in relation to competitors.

Product Chosen:

The product that I have chosen for this assignment is Toyota Land Cruiser 4.7 Litter VXR, Station Wagon, 8 Seater, Top of the Range Model.

Land cruiser is a leading name in the 4×4 wheelers. Especially in the Emirates, Land cruiser is considered among the most powerful 4 wheelers and is the most favorite and most popular 4WD brand in the United Arab Emirates. The sole agent of Toyota Land Cruiser in UAE is Al-Futtaim Motors. (According to the statistics of 1992 published by Al-Futtaim in their internal magazine 1 out of every 2 4X4 is a Land Cruiser).