

Research paper on type of market in operation

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



An attempt to understand the marketing strategies for an organization in the financial sector that excels as a provider of low cost mortgage services in the Idaho region and seeks to expand its services boundaries. The study also aims to look at the developmental strategies from the perspective of the media to be adopted for promoting its expansion process to successfully reach its target market.

Market expansion is a phenomenon that every organization comes across inevitable of the industry, which could be due to various economic factors. As the economists term it, the firms tend to expand due to the existence of the economies of scope or the economies of scale or interplay of both the factor in the market.

Economy of scale refers to the situation when the marginal cost of production is lesser than the average cost of production making it possible for the producers or the organization to call for an expansion of the business boundaries. Whereas economies of scope refers to a situation when the firm tends to make profits by diversification of its commodities or services to reach a wider audience base and thereby reap more profits. (" Stone, A.", 2005)

Although there is a natural inclination for the firms to expand irrelevant of the industry an effective background research of the market is essential. Marketing research can be defined as " The systematic design, collection, analysis, and reporting of data relevant to a specific marketing situation facing an organization." (" Netsuite", 2010)

Going by the above definition it can be interpreted that the process of market research aims at identifying the various factors in play that shape the

market and influence the product and price market. Therefore, it can be said that this process of market research should ideally consist a detailed study of the existing markets along with the prospective market that the firm plans to step into as an attempt to test the waters before the sail.

An ideal market research would provide results that reveal the nature of the demand and supply curve and the possible scope for further expansions along with the existing restrictions in the market for new entrants and help predict the possible behaviour of the consumers to the newly launched product or service in the market. (“ Stormhoek Winery”, 2006)

Considering the case in point i. e., the study of the McBride Financial Services that plans to call for a business expansion by extending it wings across the borders of its current place of operation i. e. Boise, Idaho to reach out to its prospective customers in the regions of Wyoming, Montana, North Dakota and South Dakota it becomes essential to have an understanding of the business demography and scope of this prospective business expansion. Taking into account the fact that the McBride Financial Services is a firm that specializes, FHA, and VA loans for home purchasing and refinancing at low cost mortgage services it becomes necessary to study this market in the regions that it proposes to expand to get an understanding of the following factors.

Restriction on new entrants in the market

The gap in the demand and supply curve for the service being offered

Possible scope for expansion and project margin in this venture

An analysis of the type of market in operation in the regions of Wyoming, Montana, North Dakota and South Dakota in terms of the organizations

offering financial services would help provide an insight about the prevailing competition in the market. It might also help analyse about the top players in the industry who could pose a threat to the new venture by means of restricting the entry of new firms. It also provides input about the consumer reaction to of low cost mortgage services in this case and the kind of media that would be successful to propagate the message of the firm entering the market. (“ Flynn, L”, 2006)

McBride Financial Services by its new venture seeks to reach the Professionals, Retirees, Families and/or individuals who are seeking out to purchasing either a primary or secondary residence or recreational properties with the low cost mortgage services the ideal way to reach out to them would be to plan a communication model that revolves around this diverse section of the society.

The organization also seeks to cater to the needs of its clients online by providing facilities to fill up a simplified mortgage application Online or by visiting one of our regional brokers and have them assist in the Online Application process to avail the services of the organization. It would be recommended to lay focus on this as the primary form of media to promote the message of the new business expansion venture.

An effective media campaign or for that instance any marketing/promotional campaign would be aimed at addressing the following questions like “ what is our business? Who is the customer? What do consumers value? What should our business be?” etc., in order to get the message across to the clients successfully. Like the bullet theory of communication proposes media is an all empowering tool that nails the message into the receiver’s head like

a bullet leaving a long lasting impact that would also lead to the creation of the desired effect which it states can be done by effectively making a choice about the appropriate form of media to be used in campaigning the message to the target audiences.

The new market expansion venture looks at targeting the audiences in providing its low cost to Professionals, Retirees, Families and/or individuals purchasing either a primary or secondary residence recreational properties etc., making it a wide market reach to focus on.

The audience base being diverse the ideal choice of media that would carry the message of the services being offered would be the utilization of a combination of the three dominant forms of media i. e. the print, electronic and new media in the right propositions.

There are instances when a message does not create a desired impact when said by one source as it calls for multiple sources to bring around the same message to leave an impact. This is where the concept of convergence of media comes into play. Convergence of media is a boon that the technological advancement offers today's organizations when it comes to reaching the target audience effectively. (" Wireless News", 2009)

Although the audience base is wide and diverse they essentially belong to the educated middle class background who can afford to possess access to the internet making it more appropriate to run a web based campaign for marketing the service. Added Reinforcement to this campaign is from the fact that the organization also provides a simplified mortgage application that can be completed Online or by visiting one of our regional brokers and have, them assist in the Online Application process.

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