

Increasing trend of health awareness



**ASSIGN
BUSTER**

There is increasing trend of health awareness, to day most of the women who are conscious for their health and they are belief benefits of organic wine. This is great opportunity for us to introduce new organic wine for local wine market.

This paper is required writer to formulate segmentation, targeting and positioning strategies for a new lunch product in market, with the objective to pursue CEO and the board of Director accepts the proposal.

The company name's Denis product operates in high dynamic environment which is selling organic wine as primary business, now they are taking opportunity to expanding women market segment. Quality, unique product, premium price is the main feature of this organic wine product.

Organic wine business strategy is to emphasize the quality of organic wine also the exclusive customer services. Introduce unique organic fruit wine, this is significant different from traditional wine, pricing will be quoted at a premium level; assure that wine quality and nutrition truly reflected value has been spent.

Market segment, Chinese is the larger and spendable group of wine consumer in Malaysia. There are about seven million peoples from this segment and making a solid target based for wine market.

Organic wine target market will be priority target middle income group of women looking for premium lifestyles, quality, and unique organic wine product. Target consumer is focused on leading a healthy lifestyles, typically

is women who's earning high income as professional or executive level, and the age above 39 were classified as above upper middle class.

Meanwhile Denis product will be focus on concentrated marketing strategy to target specific market segment under demographic segmentation. This is also considered a niche market.

Company decided to place the product brand " GREEN" organic wine positioned as a premium price, outstanding quality, healthy lifestyle, prestige branding in the mind of the customer, this is not only allows consumer consume exclusive premium product but position as health care product in the minds of customer relate to competing with other products and ultimately create customers' loyalty.

Marketing is a process by individual or groups to creating, offering and exchange product of value and delivery, in addition satisfy customer needs. It also involves activities such as exchange and transactions, building relationship with customers; create value and gain value from customer in return. In simple terms marketing is fulfilling customer needs and their satisfaction from business perspective.

Market Segmentation is a process to identifying a group of buyers and markets into different groups based on exhibited similar criteria such as characteristics and require or demand for certain product or services. Once the market segment has been identified, next is a process to evaluating market segment and select one or more segment target into the specific market based on the exhibited criteria to deploy . finally the organisation has to decide positioning the product in the minds of their target customer. This

<https://assignbuster.com/increasing-trend-of-health-awareness/>

assignment is intended to provide and formulate the segmentation, targeting and positioning marketing strategy approach to management and persuade the board of a director also the stockholder to support the below view and deploy marketing approach toward zipper products.

2.0 Company Background

The Name of company will be Denis Wine Product Sdn Bhd, incorporate in Malaysia on 1st May, 2009. The main concept of the Denis Wine company established is create and promote healthy organic beverage product, increase awareness of healthy eating habit for Malaysian. The main business involved is selling and promote wine product to tourisms and local resident.

The objective of the company is intends act as channel or service to promoting health and organic drinking, there will be a reading area, bookshelves and reading material on healthy living, organic products and related topics. Beside that, the will be various selection of organic wine product for customer to select according to their preferences and taste.

Denis Wine product company mission is to provide high quality wines as well as great services along with the facts and techniques of wine making and wine tasting.

2.1 Organic Wine

The name of the product will be name as “ GREEN” organic wine, product from Malaysia and has been design packing in a bottle size about 750ml; major ingredient is dragon king fruit, active dry yeast and sugars. The fruit is chosen from the best finest organic fruits from locally certified organic farm. the organization ensure that food will be transported immediately to the

factory to maintain it's freshness. As the product is organic product all the machinery and fermenting also organic in origin that is best quality wood in Malaysia that's chengkal wood is used in the fermenting tanks. This product sells at price RM149. Organic wine describe as a wine made from dragon fruit grown, typically the certified organic fruit farm is not allow to use any artificial chemical fertilizers, pesticides, fungicides and herbicides. The product adheres to all health requirements and safety considerations prescribe by the industry to wine producer.

3. 0 Literature review for Segmentation, Targeting and Positioning

3. 1 Segmentation

Market segmentation is a process of reviewing a heterogeneous market and allow marketer divide in a smaller segment and selecting one or more market segment , so product offer by organization could reached more effectively and fulfilling the unique requirement of the specific market.

Smith (1956, p. 6) defined “ market segmentation involves viewing a heterogeneous market as a number of smaller homogeneous market, in response to differing preferences, attributable to the desires of consumers for more precise satisfaction of their varying wants”

In the writer agrees with this statement of smith the purpose of market segmentation is to divide market into small segments, so the company can offer to ensure that the elements of marketing mix are designed to meet specific needs of different customer groups which in term will help the

organisation to consider focusing its marketing activities better as the segment small.

Kotler, P (1988) concluded the benefit of segmentation was conceptually consistent with (Smith, 1956) introduction " A full understanding of a market; the ability to predict behaviour accurately; and an increased likelihood of detecting and exploiting new market opportunities".

In writer opinion, a proper understanding market situation is needed, through deep analyse the elements of segmentation; It may helps increase opportunity for company successfully venture in new market segment.

Armstrong and Kotler commented importance of select the right segment market according to capabilities and resource of the organisation. In addition Hudson (2008) strongly supports their point and stated" that's no area in the market plan that surpasses the selection of target market in importance".

Armstrong and kotler (2000) stated is impossible for an organisation targeting entire market, if they are insufficient of resources for organization to serve large group of customers.

" Differentiation by the seller is an adaptation to differences in taste and requirements among consumers. Demand is radically heterogeneous or diversified and quite independent of the actions of the seller... The process of exchange in the market place are directed toward matching up segment of supply and demand to provide the best fit" (Alderson 1957, p. 102)

In the writer opinion, agreed with the statement raised by Alderson, having common view and conceptual, to divide the segment market ease for

identifying groups of customers who share common preferences, it is better to understanding behaviour of customer to ensure that the right marketing strategy is developed are able to deliver and effectively influence and satisfy the needs of consumer, also ensure that goods are managed to deliver to consumer at the time needed.

3. 2 Market Targeting

Market Targeting is a process to identifying consumer in each market segment to be concentrated. Organization select concentrate market segment to produce product and capture market share, depends on preferences and perception customer for particular product in market, hence segmentation of target consumers is crucial to determine which segment of market should concentrated (Czinkota and Ronkainen, 2010).

Armstrong, Kotler(2002) and Baines et. Al (2008) stated three approaches can be used to target marketing, they are ranging from widely to narrow targeting, that's undifferentiated, differentiated and concentrated. The market targeting can be identified by the process of evaluating and concentrate marketing segment, Marketer should take in consideration of three factors that's overall attractiveness of the segment, segment size and growth and align with company objective and resources

In the writer opinion, agreed comments by kotler, Amstrong (2002), before selection the right marketing strategy, is crucial segment evaluation must be done based on product characteristic, company resources and objective and also the potential market size, concern is if selecting the wrong market

segment the product might not effectively reach to target consumer and expense for marketing cost could be waste.

(Philip Kotler, Kevin Lane Keller, (2009) concluded to measure the market segment effectively, there are five criteria Substantial, actionable, accessible, measurable and differentiable. In the writer opinion, the effectiveness of market segment could be measured based on the particular segment are depends on the selecting of a marketing targeting strategy.

3. 3 Positioning

Positioning involves how consumer or customer perceives a product is in the market.

Branding strategy structure is barriers to protect the product position by creating associations of the positioning bases with the brand name in the mind Haas, R. W. and Wotruba, T. R. (1983). In other explain of develop positioning objective, Ries, A and Trout, J. (1972) clearly stated “ Positioning is not what you do to the product, but is what you to the mind”.

Kotler (1997) explained that “ Positioning is the act of designing the company’s offering and image so that they occupy meaningful and distinct competitive position in the target customers’ minds”. Writer is agreed and support statement concluded by Kotler, through positioning customer could distinguish product or company amongst product offer by competitors in the market segment.

Gunter & Furnham (1992) describe once completed the selection of targeting next strategies should developed positioning, and then make use of

marketing mix as part of marketing strategy. However Aaker (1996) concluded brand strategy and value proposition it has to be developed first, then only developed the positioning.

In writer opinion, positioning in particular market segment is rather important than product branding, consumer may not recognise or justify type of brands in the market.

In addition, Jack Trout, (2005) concluded positioning is important because it has to be differentiated from a competing product. Then a clear positioning statement may convey to purchaser beside promote branding for particular products in the mind of customer.

“ A products positioning is the way the product is defined by consumers on important attributes – the place the product occupies in the consumer’s mind relative to competing products”. (Philip Kotler, Kevin Lane Keller (2009).

writer commented, A comprehensive branding strategy could help marketer establish and precept product status in the mind of customer as well as product position. For example, Microsoft has chosen to position itself as user-friendly operating system. Hence, Microsoft has done a lot through advertising, product road show, mass marketing to promote itself and make product status and branding in customer mind.

4. 0 Basis segmentation for “ GREEN” organic wine

The basis elements of segmentation identification consist of geographical, demographic, and psycho graphic and behavioural.

4. 1 Psychographic

The psychographic segmentation is identified the customers in terms of their activities, opinions, emotions, values, motivations and lifestyles. These elements are important and for marketer to identified customer preferences and in favourite product. This is help manufacturer to improve and developed new product, In addition develops strategy for branding creation and marketing. (Gunter, B. & Furnham, Q, 1992. P. 64) In return product selling will gradually increase further boots up revenue income for the company.

4. 2 Demographic

The demographic segmentation involves identified group of people based on variable such as age and life-cycle stage, gender, social class, generation and income segmentation comes from the same geographic area, it helps to identifying and reaching prospects, implementation of distribution; direct marketing and other strategies are simplified. The disadvantages of demographic is only describe segment by characteristics, not by their attribute, values, belief or personality orientations.

4. 3 Geographical

Geographical segmentation is a process to differentiate geographic such as neighbour, countries, regions and location. That's several factors or aspect buying behaviour to judge and customer accept the particular product in the market, (Steenkamp and Ter Hofstede 2002)

4. 4 Behavioral

Behavioural segmentation is identified market based on customer attitude, knowledge and response to product, it's can describe in different criteria such as occasion, benefits, buyer status, and loyalty status and usage rate. Further analyse information gather on different source of customer, organisation could segment specific market and promote the unique products target to the specific group of customers for the selected market segment effectively. This segment is widely adapter by marketer when they are start building market segment. As Beane and Ennis (1987) eloquently commented, “ a company with limited resources needs to pick only the best opportunities to pursue”.

4. 5 Organic Wine segmentation

There are multiple types and levels of segmentation used in various industries, but those used most frequently by the wine industry in segmentation bases there are:

1. Demographic, based on age, gender, income, social class and etc.
2. Psychographic, based on lifestyles, personality traits or values

The main consumer groups involve middle and high income segment, single or married women. Make use of Psychographic and demographic segmentation. It provides an opportunity for the company to pursue single segments.

4. 5. 1 Psychographic Product segmentation

Organic wine has been widely accepted and the consumption is increasing.

Lifestyle — classified as modern and western lifestyle.

<https://assignbuster.com/increasing-trend-of-health-awareness/>

Personality — perceived as health drink.

Organic wine is usually classified as a western lifestyle drinking and consumed on certain occasion's day such as mother day or Christmas, Chinese New Year, wedding, valentine day at the place like pub, restaurant or hotel.

Age is also one of the factor determine wine consumption, daily consume wine are generally for women 35 year old and above, although the regular wine consume is small group of total customer; however it does contribute bigger total consumption as overall.

4. 5. 2 Demographic Product segmentation

We have identified a more specific organic consumer profile related to wine in the following:

Gender — Female (age 39 above)

Income — Middle to upper level incomes

Family life cycle -Single, Married

Occupation — Professional, manager, executive

Malaysia's total population is about 28. 3 million, consist of 67 % of Malay, 23% Chinese and 10% Indians. (Department of Statistic Malaysia, Population). The majority population of Malaysia is Malay and religious is Muslim. Due to religion they are not permitted to consume any alcoholic drinks. Although the size of the market for wine is about one third of the total population, Chinese segment does the larger and spendable group of

<https://assignbuster.com/increasing-trend-of-health-awareness/>

consumer in Malaysia. There are about seven million peoples from this segment and making a solid target based for wine market. Although Malaysia official religious is an Islamic, government's liberal attitude towards alcohol drink.

Characteristics of organic wine consumer in Malaysia typically is women age 39 above with annual income above MYR60, 000. High income group woman as professional or executive level, and age above 39 were classified as above upper middle class. They are premium purchaser and looking to trade up for a variety of reasons including prestige, quality and choice. Consider an ideal target for marketing organic products at a premium price.

Generally women are interest and always belief consuming moderate organic wine could enjoy the benefits include regulation of blood pressure, maintaining good cardiac health, better metabolism, providing warmth and boosting of immunity, In addition improve the health condition keep healthiest living.

5. 0 Basis targeting for “ GREEN” organic wine

5. 1 Undifferentiated Marketing

There is no market segments has been identified, and the market is knows as mass marketing, mass producing, mass distributing, and mass promoting about the product to reach all levels of consumer. Zeithaml V. A. & Bitner M. J. (1999), for example, the Coca cola Company is marketed at a world market.

5. 2 Differentiated Marketing

Marketers manage several market segments, in order to reach each segment market, may require different marketing strategy to be formed and cope each market segment. Separate marketing plan need to develop cater for different market segment and require extra marketing cost, in order to reach into different market, organisation should justify the increase sales against additional cost on differential marketing strategy expenses.

5. 3 Concentrated Marketing

A concentrated or niche-marketing strategy approach applies when organisation has limited resource and only concentrated to small segments in the market. It could be profitable if only serve and concentrate single market segment, however this will create higher risk than others strategy if company rely on single market segment.

5. 4 Basis Targeting Product

Once the potential segments are identified by a company for particular product offerings than the next step is to evaluate each segment for its criteria and decide one or more segments to enter, this process is called as targeting.

An emerging target market is the “ Modern” consumer searching for predominantly “ fruit-driven” wine styles. Although the organic wine product has been widely accepted and received positive response from various group of consumer, Target consumer is focused on leading a healthy lifestyles, women as target customer, with the attribute such as well educated, conscious of health, belief benefits of consume organic wine. Through

market segmentation analysis indicated that's a huge potential and profitable group from non-Muslim consumers form a majority group of purchases.

Despite Malaysia wine market size is considered small but it does a huge potential. They are

various brands of wine in the market; however it is still very less brand for organic wine has been found in the market, this is given opportunity for "GREEN" to market in organic wine industry.

Denis Product decided adopt market specialisation strategy, which is concentrated marketing strategy to deploy toward specific market segment under demographic segmentation. This is also considered a niche market. The main objective for marketing strategy is to target middle income group of women for premium quality, unique organic wine product.

Using concentrated marketing strategy, product attributes, product unique and branding creation are the main criteria in this strategic. Marketer could concentrate own competencies, resources and provide exclusive offer such as product unique, premium customer service, which no one else can offer in the target market women as consumer. In addition select specific niche market segment could benefit of it achieves market position, branding promotion could help to attract more new customers from market segment. With the unique attribute on target customer such as affordability, health conscious and willingness to taste the product, this is an opportunity for company to spend expenses on advertising or conduct wine tasting sessions exclusive for the woman market in wine industry. In order to sustain in this

heavy competitive wine market, company will continue develop fruit fresh based wine product to cater customer needs, innovative product creation could generate a loyal base of consumer who are willing to pay the quality product at premium price. In addition maintain customer satisfaction is even crucial and important factor to retain customers and create loyalties for organic wine product.

6.0 Basis positioning for "GREEN" organic wine

Once the target segment has been identified, then company should decide position to venture in selected segment. " Denis " decided to place " GREEN" organic wine positioned as a premium price, outstanding quality, healthy lifestyle, prestige branding in the mind of the customer, this is not allows consumer consume exclusive premium product and also increase proposition branding position of the product. In order to effectively position in minds of consumers, marketing mix strategy has to be developed oriented toward specific group of market. It is important to outline or identified the positioning of the brand and then develop the key messages aimed to reaches target group via various sources. Consequently, the key messages will include: ".... Feel alive!" Denis Product adopts nature environment theme while promote healthy spirit. Our philosophy is choosing the best finest organic fruits from local certified organic farm to produce the freshness and healthy wine.

Marketer should consider using advertisement, play a major role to deliver important attribute to consumers that might not have been considered before (Gwin & Gwin, 2003). The objective is developing advertisement

strategy and branding creation. In long term, marketer will be able utilize branding strategy and precept product position in the mind of customer, typically create barrier to prevent competitor to have access minds of consumers.

Increasing awareness of organic wine and branding promotion strategy will enables “ GREEN” organic wine opportunity further expand and growing consumer. The effective tool of communication is sponsoring a beverages & food event, as it allows informing the potential customers about the product. Sponsoring event is preferred, and it is able to cover potential audience and is able to deliver desired messages to target customer

Another effective strategy, conduct introduce new launch product event. It is important to convince via mass media that is the new product for the potential consumer. Product launching preview activity is necessary to establish branding creation for “ GREEN” organic wine position as health care product in the minds of customer relate to competing with other products and ultimately create customers’ loyalty.

7.0 Annual schedule for program

Product implementation plan and implementation

Feb

March

April

May

Jun

July

Aug

Sept

Oct

Nov

Dec

Pre-Launch Preparation

Inform Marketing Agent & staff participate 2 days

Seminar to discuss marketing strategy and implementation

Acquisition of resource to produce “ GREEN” Organic Wine

Establish a monitoring mechanism to track return on investment

Training marketing staff by focusing on sales strategy

Provide Support to local Agent to promote product

Launch

Lunch ‘ GREEN’ Product Promotion Advertising Campaign

<https://assignbuster.com/increasing-trend-of-health-awareness/>

Post Launch (Monitor & Monitor)

Monitor control cost effective / efficient ration to Interpret market share

7. 1 Marketing Budget

Objective for 2011: Increase new product sales volume through marketing efforts.

Strategies:

Goal

Tactics

Budget

Direct Marketing

Building awareness in target market

Strategy plan, flyer list, mailer and postage

\$9, 000

Launching event Services

Increase awareness of New product

Develop materials and organize event launching

\$40, 500

Event Organizations

Beverage Event Sponsorship

Yearly events sponsorship

\$30, 500

Total

\$80, 000

8. 0 Conclusion

The product offering by Denis wine is unique only introduce for specific group of consumer used. However, it could be possible the “ GREEN” organic wine for women market segment may not accepted at initial stages, and it may not get a favourable response, however this is trend or symptom of most of the market segment especially for new launch product in the market. Marketer may need time to evolve and convince consumers; however the market consumer also tends to be hesitant in changing from an old or established brand product to a brand new one. Nevertheless the “ GREEN” will be made attractive through the innovative of the product and quality meets their specific need requirement such as ISO standard. The proposition that minimum amount of time needs to be spent on updating and maintaining the customer relation with the “ GREEN” marketing strategy would be highly attractive to the customers who are already understanding and concern for quality of the product.