

Organizations devise marketing strategy

[Business](#), [Marketing](#)



Organizations devise marketing strategy to make best possible use of its limited resources in order to satisfy its clientele and earn profits. Market segmentation and target marketing concepts are of great importance in devising marketing strategy. These form the crux of marketing and branding since target marketing is one of the most used and widespread techniques in marketing at the moment. Additionally, segmentation is a part of target marketing since once segments are identified; they are used by marketers in order to target their campaigns according to the segments or strata defined.

Segmentation of market is about breaking the whole mass market in to various homogeneous sections after which the target market can be identified. 'Target market' are the most attractive segments, in which the consumers are most likely to buy the product offered. Target marketing can be defined in a much simpler way by taking a small example. Toothpaste may be marketed to the masses through advertisements by stating that it is toothpaste used generally for cleaning teeth.

However, medicated toothpaste for bleeding gums, a toothpaste with fluoride and calcium, and a toothpaste with different colors and flavors can be used to target various segments in the market like middle to old aged people, healthconscious group of people and children respectively. This target marketing can be used to churn higher profits and reap longer term customer base who would want to buy the product range according to their changing needs and wants. Segments are created such that they match with the company's objectives, potential and resources.

The segmentation of market is a very adaptive strategy, as after studying the needs of the targeted market, the company tailors its products and

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market mix accordingly. Segmentation is essential as it allows the companies to be more productive and cost effective by only concentrating efforts in the targeted areas and saves them from wasting its resources. Its intense study provides critical information about the segments which are helpful in the development of marketing mix. Segmentation is generally done according to various criteria like according to geography, demographics, psychographics and other various physiological segments.

A marketing campaign or strategy is then formulated by examining the segments that can be targeted or using a segment and designing or modifying a product according to the segment. A marketer or manufacturer would have to have thorough understanding of the product and the segment being targeted in order to formulate the best possible marketing strategy. Targeting specific consumer segments allows a company to become more consumer-oriented. According to Dagmar Recklies (2001) various other associated benefits are:

- It allows the companies to satisfy its clients by providing them with products tailored according to its requirements and specification. For example the computer manufacturing company Dell has even organized its website on the basis of various customer groups and the products it has made to cater those groups.
- This in-turn generates loyal customers for the company for the long run which can reap revenues and profits for the times to come.
- It makes easier for the companies to modify its products with the changing tastes and preferences of its target market.

Segmentation makes it easier to study in depth the small units of customers, rather than total market. For instance, a skin related company offers

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products for customers according to their age (for teens, babies, middle aged) and specific problems they face (acne problem of teens, wrinkle problem for old aged people). Thus, this does not only make the company more adaptable but even more innovative. • It helps in making target communication which has more personalized effect. • All this leads to higher turnover rates and increasing market shares. For proper segmentations and its analysis extensive research is required.

Thorough market research and analysis provides the company with vital information of each segment by examining their requirements, likings on the basis of demographics, psychology, attitude, geography or sociology. It helps in predicting the sales, intentions of buyers etc. segmentation can help determine the characteristics that can be used to target the people in the segment. Moreover, product development and design is one of the major areas where knowledge of segments can be used as both development and design can cater to the segment accordingly.

For example, a company can study segments to determine if an easy grip shampoo bottle would be required for children or not. The segments are analyzed on the basis of statistical data collected in the researching process. This allows the company to identify the most attractive segments where it has to focus its marketing strategy. The effectiveness of segmentation can only be maintained if the company remains continually updated, which means continuous research. Customized research allows maintaining focus on the changing preferences of the potential markets and well tailoring of market mix.

It allows the company to provide satisfying service to its customer as research information greatly helps in designing, pricing and distributing its product. As mentioned earlier, after segmentation and target market analysis, marketing strategy is devised. This involves the controlling of 'market mix'. Market mix comprises of:

- Productcustomer needs and wants
- Pricecost
- Promotioncommunication
- Placementconvenience

These parameters need to be controlled in accordance with marketingenvironment.

These four Ps form the basic of any marketing program or campaign and need to be used in accordance with the segments created and target segments identified. Any marketing program that is formulated defines its segments that are going to be targeted and then the four Ps are used to formulate the product for the target segment. The physical characteristics of the product need to be designed such that the consumer needs and wants are met. Product stands valuable in the eyes of customers only if it can help them solve their problems or meet their requirements.

It should be priced at a level that it can be afforded by its customers and the firm's costs are also met. Again, the company needs to do other forms of analyses also including cost and benefit analysis and breakeven analysis in order to determine the right mix of the four Ps. Further the product should be distributed in places where it can be conveniently accessed by its users. Not only this, the promotional schemes should also be well drafted and communicated. A product's success is dependent upon a well drafted market mix. For instance a company makes a hair shampoo.

It should research well about the economical level of its consumer group and then price it. The shampoo should have features in accordance with the

demand of their customers like it can be an anti-dandruff one or a shampoo well suited for damaged hair. A shampoo's characteristics would be determined by the four Ps. The product itself should be designed as such so as to cater to the needs and wants of the consumers or target segment which has been identified. Next is the price. Once the product has been designed, the marketer needs to determine the right price for the product.

The shampoo should neither be too high priced so consumers are not able to purchase it, nor should it be so low priced so as not to cover the production and marketing costs of the shampoo. Next is promotion of the shampoo. Product promotion schemes should be such that customers or target audience is able to identify the product and gets to know about its features and advantages without being bombarded with too much information. Such promotional strategies should be taken up which communicate the use of this product well. It should tell all if it's for dandruff or damaged hair.

Besides the above, the shampoo company should make sure that the shampoo is available at all stores from where the targeted audience can easily buy. Only after all these have been taken care of, a product has bright chances of being well accepted. Well placed products have ample chance of being purchased which can ensure that the entire marketing process of market segmentation and determining of four P's has been successful and the customers have been able to purchase the shampoo according to their needs, wants and desires.

Thus, a well planned marketing campaign increases the company's sales and client. It allows the company to figure out its goal and ways towards its achievement. The ever changing customer demands, increasing amount of

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choices available and fierce competition has put great pressure on the marketing aspect of every business. Intensive research, quick drafting and timely execution mark the success or failure of any strategy.

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