

Market segmentation for new product research paper

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



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Abstract

For a new product launch it is imperative that the stakeholders scan the environment for the feasibility of the product success and acceptability in the eyes of the prospective consumers. The reason intent of every product or service is to induce trial in the target market by leveraging the brand's key assets i. e. the unique shape, taste, variety etc.

It is important to achieve an emotional connection with the primary target market with the claim and thus eventual credibility in the minds of the consumers and thus develop the brand's equity by building a brand identity that is different as well as resonates with core consumers.

Key Words: Segmentation, Brand, Tea, Life Cycle, Marketing Strategy

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Introduction

The biggest and most significant challenge for a product when launched is to find the customers and be able to create its demand in the minds of the consumers. In view of the globalized economy and the options available for consumers the challenges for product and services to maintain a presence in the forefront off a retail shop and consumers mind is immense.

The Product

The new product to be launched is ' Tea Party' a tea joint a la Starbucks with the main differentiator being the primary beverage will be ' Tea', providing the consumers with a choice to have exotic beverages of their choice with an

ambience to help them relax and enjoy their tea and other drinks, also most importantly a joint where people can network and socialize at ease.

The Industry

According to a report on the state of U. S. Tea Industry prepared by Simrany and Goggi (2013), the significance of Tea in the U. S. can be gauged by the fact that in spite of the economic breakdown in the country the Tea industry has continued to flourish and currently the total wholesale value stands at \$10 billion. The future is bright with the forecast of the wholesale value doubling in the future, thus the industry analysis bodes well for the launch of a tea product and a tea joint. From weight perspective it gets even better as the study illustrates the fact that since 1990 to 2012 the compound annual growth rate is 2.5% i. e. from 170 million pounds to 277 million pounds and the growth of the tea industry is estimated at 4% for the last three years which is remarkable.

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Need that the Product or Service addresses

The primary Unique Selling Proposition (USP) of Tea Party will be 'Health' with Taste with different flavors of tea. In essence the launch strategy will aim to define the core brand proposition and the unique consumer benefit that would help in drive the target market towards Tea Party and it entails three basic components:

- Core Human Insight: Health and convenience necessary due to pressures
- Brand Essence: Health is Wealth
- Brand Values & Personality: Healthy, On the Go, Proactive

In an article on the health benefits of tea on Science Daily (2013), it is suggested that studies have claimed that the polyphenol content of green tea due to its antioxidant properties helps fight cancer and in even prevents it. The other health benefits of tea that has been claimed are endurance by improving the fat metabolism during exercise.

Size of the Overall Market

The target market for Tea Party ranges from the ages of 21 -50 both male and female, the primary focus is on the adult's as they are direct customers in line with the USP of the brand i. e. Health, also keeping in mind the ambiance and the networking part of Tea Party the youngsters will also be tapped in. In essence the primary target wants to manage their health and consider it a worthy investment.

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The Physiographic of the target market may be as follows:

- Attitudes & Beliefs
- Interests: Going out, watching movies, online savvy, trying new things
- Opinions: Having fun is essential in life with Health
- Lifestyle: Outgoing & thrilling, Busy
- Personality
- Confident
- Modern
- Artistic
- Expressive
- Energetic

- Exploratory
- Self Concept
- Intelligent
- In control

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Size of Key Segments

Also Colleges and universities are another segment to tap into the youngsters and make them a believer in the benefits of tea with the added incentive of a hip environment.

Life Cycle of the Product

The life cycle of Tea Party depends on the response it gets after its launch, this is in view of the fact that the main differentiator i. e. Healthy Life style must be promoted as the main factor as all other lounges and cafes which according to the statistics given in the study by Simrany and Goggi (2013) all over the U. S is 4, 000 approx provides the ambience and networking with the beverages.

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The life cycle strategy (how will the marketing strategy change over the life cycle)

The marketing strategy for the Tea Party will depend on the response it gets at the launch. However the intrigue and interest in the above mentioned segments will be heightened through the brand building programs which will be divided into three parts:

- Pre-launch Programs

- Public Relations
- Events at Shopping centers Gyms and Parks
- Online (Face book, Twitter etc)
- Word of Mouth
- Launch a ' Bring a Friend' to Tea Party Campaign and win exciting Healthy prizes which may include running tracks, shoes, and gym membership for a month or 2.
- A consumer promotion designed to induce maximum repeat trial at Tea Party at the launch.

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- Launch Programs
- Brand Activation/Direct Marketing
- A themed campaign with treadmills at different locations, run and drink tea to create a healthy mix, intent to create excitement through engagement of the prospects
- Tea Party's HealthaThon
- Public Relations
- My Best Friend" Campaign essay competition for youngsters, " I am Unique" Campaign for artists and creative people, Suggest a Flavor Campaign for adults primarily focusing on health and also youngsters focusing on health with taste
- Advertising
- Focusing on Health with Fun & Convenience in relation to Tea Parties products and ambience
- Post Launch Programs

- Promotions (Mugs, Caps, etc, Print Ads)
- Consumer Research

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The Distribution strategy over the Life of the Product

The vehicle used for a restaurant like Tea Party will focus on the maximum step ins at Tea Party and thus the marketing strategies mentioned in the above section will be utilized on a consistent level to create a presence of Tea Party in the minds of the consumers on a constant basis (Valencia Higuera, 2013).

However the main factor to make Tea Party a success will be the experience and the taste of Teas and other product available in the house and these 2 factors will eventually help in the long term success of Tea Party.

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