

strategy. Alternatively, the cost of developing a separate marketing mix for different segments may outweigh the potential gains of meeting customer needs more exactly. Under these circumstances a company decide to develop a single marketing mix for the whole market. The absence of segmentation is called undifferentiated marketing. Companies that lack a marketing orientation may practice undifferentiated marketing through lack of customer knowledge. Undifferentiated marketing is more convenient for managers since they have to develop only a single product/marketing strategy. Sugar and salt are examples of products that can be marketed effectively through an undifferentiated strategy.

Differentiated Marketing

Specific marketing mixes can be developed to appeal to all or some of the segments when market segmentation reveals several potential targets. This is called differentiated marketing. It is a popular market targeting strategy that can be found in sectors as diverse as cars, hotels and fashion retailing. A differentiated marketing strategy exploits the difference between marketing segments by designing a specific marketing mix for each segment. A coconut producer company that produce neera might identify life stage based market segmentation and produce flavoured neera for the kids and carbonated neera for the youths and plain neera for the middle aged customers.

Focused or Concentrated Marketing

Just because a company has identified several segments in a market, it does not mean that it should serve them all. Some may be unattractive or out of step with its business strengths. Perhaps the most sensible route would be to serve just one of the market segment. When a company develops

a single marketing mix aimed at one target(niche) market it is practising focused/concentrated marketing. This strategy is particularly appropriate for companies with limited resources. A company producing packed tender coconut water can project their product as the natural sports drink and concentrate on the segment 'athletes'.

Customized Marketing

The requirements of individual customers in some markets are unique, and their purchasing power sufficient to make viable the design of a discrete marketing mix for each customer. Segmentation at this disaggregated levels leads to the use of customised marketing.

Positioning

Positioning can be defined as the act of designing the company's offering so that it occupies a meaningful and distinct position in the target customer's mind. Positioning is essentially that act of linking your product or service to the solutions that consumers seek and ensuring that, when they think about those needs, your brand is one of the first that comes to mind.

Positioning is both important and difficult. It is important because today we live in an over communicated society. Consumers are constantly exposed to thousands of marketing messages per day. To cut through this clutter, a company needs messages that are simple, direct and resonate with the customer's needs. Failure to gain a position in the customer's mind significantly increases the likelihood of failure in the market place.

Branding

Developing a brand is difficult, expensive and takes time. Brands enable companies to differentiate their products from competitive offerings. The financial value of companies can be greatly enhanced by the possession of strong brands. The concept of brand equity is used to measure the strength of the brand

Novel Usages



Activated Carbon

It's difficult to escape pollution but easy to get rid of its dullness.

POND'S

Pond's Pure White. It has activated carbon, which has the power to take out pollution particles and impurities. So it cleanses your skin from deep within to give you a pollution-free glow.

Activated carbon was prominently used for pollution control, gold purification and automotive industry. Activated carbon's power to take out pollution particles and impurities has attributed it novel usage in cosmoceutical industries too. This would add to the demand for this product.

in the market place and high brand equity generates tangible value for the firm in terms of increased sales and profits. Strong brand names can have positive effects on consumer perceptions and preferences. This in turn leads to brand loyalty where satisfied customers continue to purchase a favoured brand. The impact of strong, positive perceptions held by consumers about top brands means it is difficult for new brands to compete. Even if the new brand performs well on blind tests, this may be insufficient to knock the market leader off the top spot.

Strong market leading brands are rarely the cheapest. This is because their superior brand equity means that consumers receive added value over their less powerful rivals. Strong brands also achieve distribution more readily and are in a better position to resist retailer demands for

price discounts. Research into return on investment for US food brands supports the view that strong brands are more profitable. The number one brand's average return was 18 per cent, number two achieved six per cent, number three returned one per cent, while the number four position was associated with a minus six per cent average return on investment.

Brands are a source of information about a product. Through their associated marketing communications, they communicate information about a product and its benefits which assist consumers in making a buying decision. The associated brand elements also make it easier for consumers to identify products. Brands reduce functional risk (that the product does not perform expectations), financial risk (that is not worth the price that is paid) as well as social risk (that the product produces social embarrassment). As we have seen already, we live in an over communicated society where consumers are faced with a proliferation of product choices. To rationally evaluate all these options is impossible, so brands make consumers' lives easier by providing shortcuts for product choices. Trusted and preferred brands are purchased again and again giving rise to the notion of brand loyalty.

Product Life Cycle(PLC)

Both individual brands and product lines need to be managed over time. A useful tool for conceptualizing the changes that may take place during the time that a product is on the market is called the product life cycle. The classic product life cycle has four stages introduction, growth, maturity and decline.

The PLC emphasizes the need to review marketing objectives and strategies as products pass through the various stages.

When a product is first introduced in to the market its sales growth is typically low and losses are incurred

as a result of heavy development and initial promotional costs. The strategic objective is to build sales by expanding the market for the product. The brand objective will be to create awareness so that customers will become familiar with generic product benefits. The product is likely to be fairly basic, with an emphasis on reliability and functionality rather than special features to appeal to different customer groups.]

The second stage is marked by a period of faster sales and profit growth. Profits may begin to decline towards the latter stages of growth as new rivals enter the market attracted by the fast sales growth and high profit potential. The strategic marketing during the growth phase is to build sales and market share. The strategic focus will be to penetrate the market by building brand preference.

Sales would peak and stabilize as saturation occurs. The need for effective brand building is felt most acutely during maturity and brand leaders are in strongest position to resist to pressure on profit margins.

During the decline stages (when new technology or changes in consumer tastes work to reduce demand for the product) sales and profits fall. Suppliers may decide to cease production completely or reduce product depth.

New Product Development

The introduction of new products to the market place is the lifeblood of corporate success. Changing customer tastes, technological advances and competitive pressure mean that companies cannot afford to rely on past product successes.

The degree of risk and reward involved will vary according to the new product category. New-to-the-world products normally carry the highest risk since it is often difficult to predict consumer reaction. Often, market research will be unreliable in predicting demand as people do not

really understand the full benefits the product until it is on the mark and they get the chance to experience them.

Product development consists of seven steps viz. ide generation, screening, concept testing, business analysis, product development, market testing and commercialisation. The sources of new products idea can be internal to the company; scientists, engineers, marketers, sales people and designers. Once new product ideas have been developed they need to be screened in order to evaluate their commercial value. Once a product idea has been deemed worthy of further investigation, it can be framed into a specific concept for testing with potential customers. Concept testing thus allows the views of customers to enter the new product development process at an early stage. The buying intentions of potential customers are a key factor in judging whether any of the concepts are worth purchasing further.

This stage involves the development of the actual product. It is usually necessary to integrate the skills of designers, engineers, production, finance and marketing specialists so that product development is quicker, less costly and results in a high quality product that delights customers. Products also need to be tested with consumers to check their acceptability in use.

It is measurement of customer acceptance by forcing consumers to put their money where their mouth is, so to speak. The basic idea is to launch the new product in a limited way so that consumer response in the market place can be assessed. The final stage of this rigorous process is the launch of the product in the market. Bringing out new products and services is the key to long term corporate success. It is a risky activity, but a systematic approach is likely to improve the chances of success. ■