

The slide features abstract blue geometric shapes on the left and right sides. On the left, there is a solid light blue trapezoidal shape. On the right, there is a complex arrangement of overlapping translucent blue polygons in various shades, including light blue, medium blue, and dark blue. The text 'Unit 3- Part 3' is centered in the white space between these shapes.

Unit 3- Part 3

Marketing Strategy

- ▶ A marketing strategy is a businesses' game plan for finding people and turning them into paying customers.

What is a market?

- ▶ A market is a group of potential **customers or buyers**.
- ▶ The total market includes all potential customers with needs and wants and purchasing power for a given product or service.
- ▶ Most products or services are not needed or wanted by the total market.
- ▶ small businesses generally don't have the budget or the capacity to service large markets effectively.
- ▶ As a result, businesses will focus on a smaller group of potential buyers through the process of market segmentation and targeting.

Do you have a market for your product/service?

- ▶ To determine if you have a market for your product or service, you need to ensure the following:
 - ▶ There must be a true need and/or want for the product, service, or idea, whether the customer knows they need it or not.
 - ▶ The person/organization must have the ability to pay for the product.
 - ▶ The total number of customers must be large enough to be profitable.
 - ▶ The target market is identifiable, measurable and accessible.

Ex. Starbucks' target market is often described as affluent or high income (around \$90,000)

who are willing to plunk down \$10 for a snack and beverage without thinking about the cost

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Market Segmentation

- ▶ Market segmentation involves using research to subdivide the market into smaller, distinct groups of buyers that share common characteristics.
- ▶ A narrowly defined group of potential customers is known as a *niche market*.
- ▶ A business will target a product or service to a niche market to differentiate it from the mainstream providers.
- ▶ **Some examples are:** Organic produce, artisan foods and boutique fashions are just a few examples of niche markets.

Other examples of market segmentation

- ▶ **Market Segmentation:**
- ▶ **Geographic-** province, region, county, urban, rural
- ▶ **Demographic-** age, gender, marital status, ethnicity, religion, income, education, family life cycle
- ▶ **Psychographic-** personality traits, lifestyle, attitude, interests, degree of loyalty
- ▶ **Behavioral-** return customers behavior such as use, price sensitivity, brand loyalty and benefits

Positioning Your Product or Service

- ▶ The objective of positioning is to occupy a clear, unique, and advantageous position in the customer's mind.
- ▶ Positioning requires a carefully crafted message that communicates the value of your product or service and how it differs from your competitors.
 - ▶ **Starbucks mission statement:** To inspire and nurture the human spirit - one person, one cup and one neighborhood at a time.
- ▶ Ex. Starbucks has **positioned themselves** as a perfect and little expensive coffee shop that **will** offer customers delicious and rich coffee.

Another Example of positioning

- ▶ Sandals Resorts positions itself as a luxury, all-inclusive, couples-only destination.
- ▶ They occupy a unique position in the resort market that targets honeymooners and married anniversary vacationers.
- ▶ Sandals Resorts includes their positioning as a tag line to their logo:
 - ▶ "Sandals Resorts: Luxury Included Vacation—
FOR TWO PEOPLE IN LOVE."

Here are some examples of values a business may choose to position a product or service to appeal to their customers:

- Safety
- Uniqueness
- Function—problem solver
 - Convenience
 - Health
 - Variety
 - Reliability
 - Price
- Sustainability
 - Status
- Performance

Marketing Strategy

- ▶ Write a description of your marketing strategy. **Include the following:**
 - ▶ Describe who you think your ideal customer will be and why.
 - ▶ Who is mostly likely to buy your experience or product? Include the key characteristics that make your customer ideal (for example: age, gender, geographic location, lifestyle, etc.).
- ▶ Identify one market segment that is **most** relevant to your customer. Explain why. For example, what is more important—knowing where your customer lives, or knowing if your customer has a family?
- ▶ Identify one other market segment that you would like to research and give reasons why.
- ▶ **Note:** Normally at this stage, you would perform the research on the market segment you selected to collect information on your target market. Given that the research is out of scope for the purpose of this project, you can assume that you have customers for your product/experience.

Marketing Strategy Continued

- ▶ Identify your major competitors. Who are they and where are they located? Are they targeting the same customer?
- ▶ Describe your competitive advantage. Why will the customer value your experience/product more than the competition's?
- ▶ Describe how you will position your experience/product. Is it best value? Best quality? One of a kind?
- ▶ Describe the different factors that might impact your experience/opportunity from being successful:
 - ▶ Technology (Do customers need to use technology to access or use your experience?)
 - ▶ Climate change (Is your experience outdoors and vulnerable to climate change impacts?)
 - ▶ Changing trends (Is your experience built on a trend that may change?)
 - ▶ Changing economy (Will customers still come if there is a recession or the economy slumps?)