

### UNIT III MARKETING MIX DECISIONS

- ▶ **Product planning and development**
- ▶ **Product life cycle**
- ▶ **New product Development and Management**
- ▶ **Defining Market Segmentation**
- ▶ **Targeting and Positioning**
- ▶ **Brand Positioning and Differentiation**
- ▶ **Channel Management**
- ▶ **Managing Integrated Marketing Channels – Managing Retailing, Wholesaling**
- ▶ **and Logistics – Advertising and Sales Promotions – Pricing Objectives, Policies and Methods**

#### MARKETING MIX DECISIONS

- ▶ A marketing mix can consist of any combination of factors, but most commonly refers to what is known as the 4 Ps of marketing:
- ▶ **PRODUCT**
- ▶ **PRICE**
- ▶ **PROMOTION**
- ▶ **PLACE**
- ▶ Each of these four Ps can influence a consumer's decision-making.

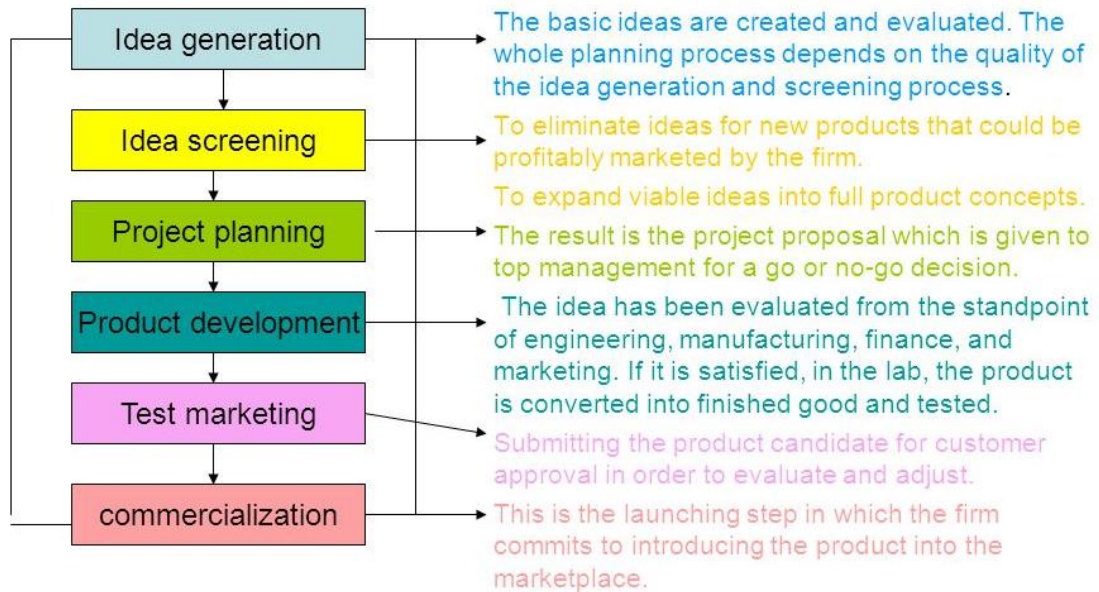
marketing decisions encompass decisions about market segmentation, product quality and design, the choice of distribution channels, corporate image-building, advertising budgets, sales promotions, etc.

#### PRODUCT PLANNING AND DEVELOPMENT

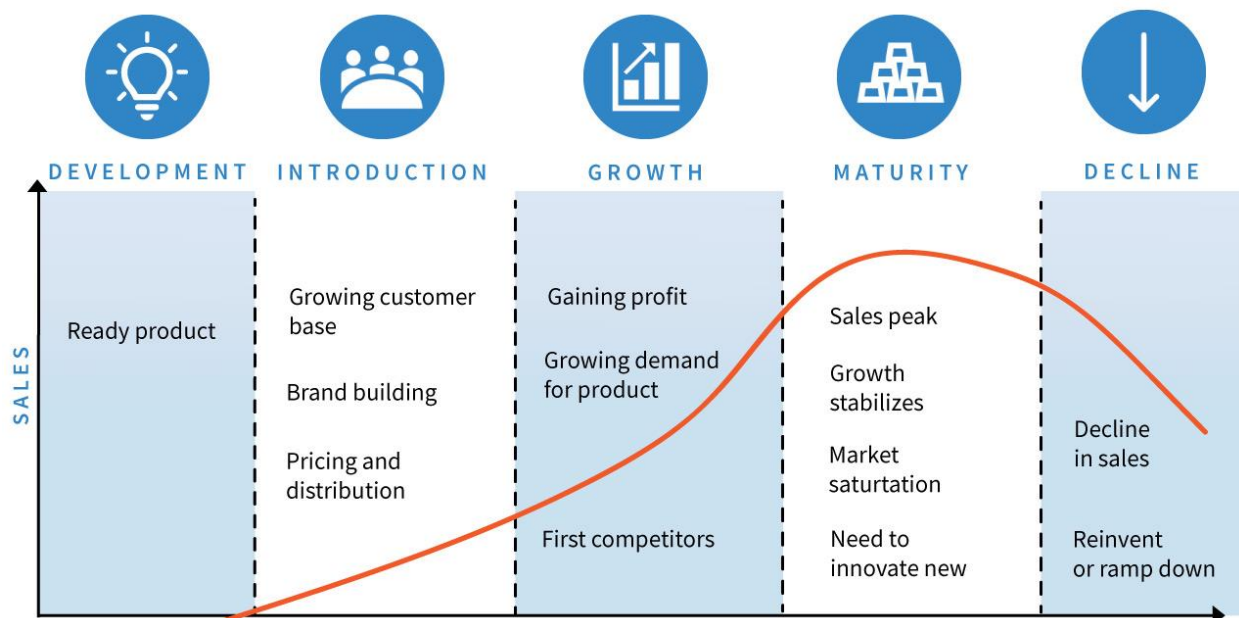
- ▶ Product planning is an essential process for companies that create, manufacture and sell goods.

- ▶ Having a product development plan allows businesses to assess their current customer demographics, identify markets for expansion and create product development goals that help them gain, retain and serve their customers.

## New product planning and development process



### PRODUCT LIFE CYCLE



## NEW PRODUCT DEVELOPMENT

When you have an idea for a new product, you start the new product development process. During this process, your idea becomes a mass production-ready product that you can take to the market. At the same time, your business plan will develop and you move on to the next stage of the new **PRODUCT DEVELOPMENT CYCLE.**

Read here more about the stages of

1. Development.
2. Introduction

When your product is ready for the market, the introduction stage begins. During this stage, you'll be building your brand and start promoting your product. You'll also be building your customer base, hopefully with the help of some early adopters that are already fans of your product.

During the introduction stage of the product development cycle, you'll also need to decide the price of your product and establish how you're going to sell and distribute the product since you'll be preparing for the growth stage.

Haltian Startup videos 1: What does a startup need to get started?

### 3. Growth

If you're successful in the introduction stage of your new product development cycle your product will start to gain users and you'll enter the growth stage. At this stage, you can expect to start gaining some profit.

During the growth stage of the product development cycle, the demand for your product will increase and you need to work hard to keep up with the demand and expectations to gain loyal customers.

By the end of the growth stage, you'll start to have some competitors, who have seen your success and are hoping to duplicate it.

### 4. Maturity

The maturity stage of the new product development cycle is a stage of stabilization. During the maturity stage, the sales of your product will reach its peak and most of your customers are buying the product at this stage.

Your competitors are now reaching the growth stage with their product, and the market has more options. The challenge during the maturity stage of the new product development cycle is to hold

your market position and come up with new ways to keep your customers happy. If you don't keep on inventing new things, your product development cycle will turn to the last, decline stage.

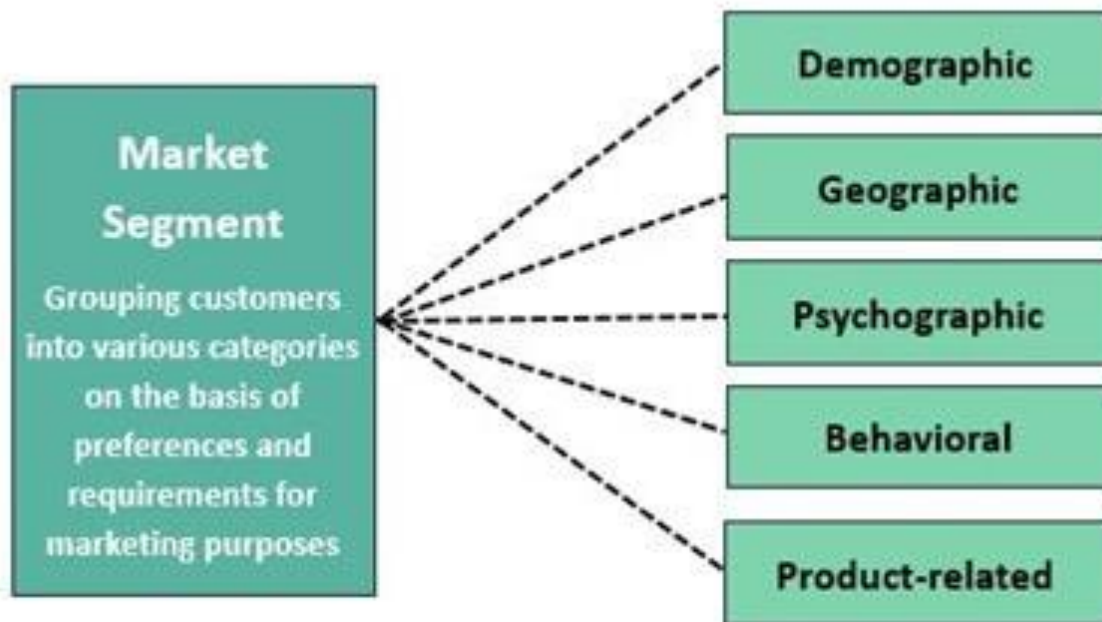
### 5. Decline

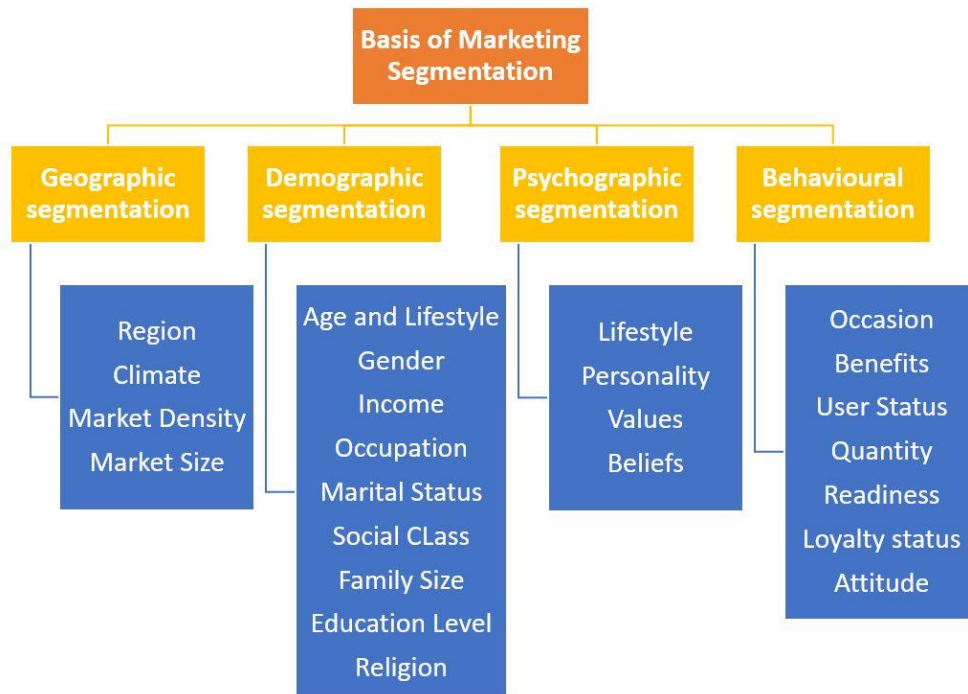
When the maturity stage ends, the inevitable decline stage arrives. You'll start to notice a steady drop in sales, and perhaps your customers' lose interest in your product or switch to a newer, better product made by a competitor.

To fight the decline stage of product the development cycle, innovating something new is key: coming up with improvements to your existing product, or perhaps making a second generation is a good way to fight the decline and keep up with the competition.

If your product has lived its life cycle in the market and is no longer serving its purpose, discontinuing the product can be a good op

## Types of Market Segment





### Market segmentation: What it is, Types & Examples

Market segmentation is the key to any long-term marketing plan that works.

To maximize your marketing budget, you should determine why your customers buy from you by dividing your market into subgroups. Then, you'll be better able to meet their unique needs.

Market segmentation techniques can help your business make more money because they can help you give customers more personalized experiences. Because of this, the best tools for personalization let you divide your audience into groups so you can:

More email and text message leads

- Increase the number of sales on your website
- Improve average order values
- Increase the customer lifetime value

we will learn what market segmentation is and how it allows you to correctly direct your marketing efforts to the right audience to ensure the success of your business.

What is market segmentation?

- Types of market segmentation
- Market segmentation objectives

- Strategies for market segmentation
- Steps to implement a market segmentation
- Characteristics of good segmentation
- Advantages of market segmentation
- Disadvantages of market segmentation

### **What is market segmentation?**

Market segmentation is a process that consists of sectioning the target market into smaller groups that share similar characteristics, such as age, income, personality traits, behavior, interests, needs, or location.

Knowing your market segmentation will help you target your product, sales, and marketing methods. It can help your product development processes by guiding how you build product offers for various groups, such as males versus women or high-income versus low-income. These segments can be used to optimize products, marketing, advertising, and sales efforts.

Segmentation allows brands to create strategies for different types of consumers, depending on how they perceive the overall value of certain products and services. In this way, they can introduce a more personalized message with the certainty that it will be received successfully.

### **Types of market segmentation**

Market segmentation is the process of breaking up a large market into smaller groups of customers with similar needs, traits, or ways of behaving. There are 4 types of market segmentation. Below, we describe each of them:

#### **Geographic segmentation**

Geographic segmentation consists of creating different groups of customers based on geographic boundaries.

*A fast-food chain might change its menu items and specials based on what people in a certain area like. For example, they might have spicy food on the menu in places where spicy food is common.*

The needs and interests of potential consumers vary according to their geographic location, climate, and region. So, geographic segmentation is valuable. Understanding geographic segmentation allows you to determine where to sell and advertise a brand and where to expand a business.

#### **Demographic segmentation**

Demographic segmentation divides the market through different variables. Demographic segmentation includes age, gender, nationality, education level, family size, occupation, income, etc.

*A company that sells luxury cars might look for customers with a certain income, age, or job. For example, they might make ads for older, wealthy people who are likely to be interested in luxury cars.*

Demographic segmentation is one of the most widely used forms of market segmentation since it is based on knowing how customers use your products and services and how much they are willing to pay for them. Surely demographic segmentation is very important.

### **Psychographic segmentation**

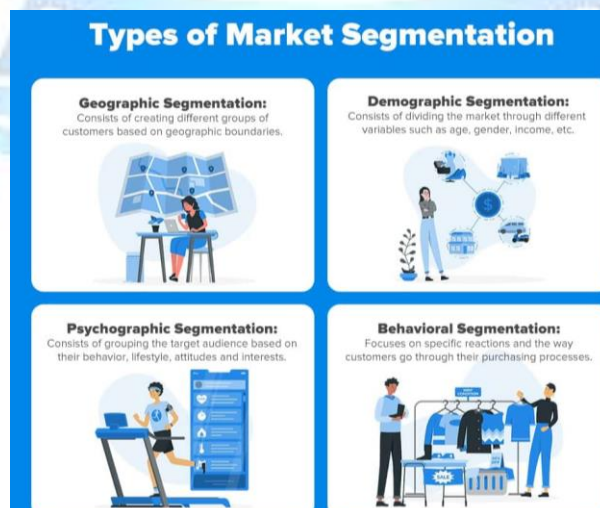
Psychographic segmentation consists of grouping the target audience based on their behavior, lifestyle, attitudes, and interests.

*A fitness brand might try to reach customers based on how they live and who they are. For example, they might go after people who like to be active and care about their health.*

To understand the target audience, market research methods such as focus groups, surveys, interviews, and case studies can successfully compile psychographic segmentation conclusions.

### **Behavioral segmentation**

Behavioral segmentation focuses on specific reactions, i.e. consumer behaviors, patterns, and how customers go through their decision-making and purchasing processes.





**Research the market:**

Before making a segmentation strategy, it's important to research the different parts of the target market and their needs and preferences.

**2. Identify segmentation criteria:**

Based on the market segment, businesses can figure out which criteria for segmenting their target market are most important. This could include things like age, gender, income, and level of education, or it could include things like personality, lifestyle, and values.

**3. Market segmentation:**

Businesses can divide the market into different segments based on the criteria they have found. It's important to ensure that each part is clear, measurable, and useful.

**4. Develop targeted marketing strategies:**

Businesses can make marketing plans for each segment when the market is divided into segments. This could mean making customized products and services, running targeted marketing campaigns, and adjusting pricing strategies to meet the needs and preferences of each segment.

**5. Evaluate how well the segmentation strategy worked:**

Businesses should keep an eye on the performance of all the customer segments and make changes as needed to ensure the segmentation strategy works. This could mean getting customer feedback, looking at sales data, and tracking how well marketing campaigns are working.



A market segmentation strategy can help businesses better understand their customers, create targeted marketing plans, increase customer satisfaction, improve product development, increase market share, increase profits, and gain a competitive advantage.

Steps to implement a market segmentation

In order to implement a strategy, you must not only know what market segmentation is. It is very important to know how to apply this method. That is why we have for you a guide that will help you:

**Step: 1** – Define your market: At this point of the segmentation, you should focus on discovering how big the market is, where your brand fits, and if your products have the capacity to solve what it promises.

**Step: 2** – Segment your market: This step consists of choosing which of the types best suits your brand.

**Step: 3** – Understand your market: Ask your customers the right questions, depending on the type you choose. You must know your target customer in detail. You can use online surveys to get their answers.

**Step: 4** – Build your customer segments: After collecting responses, you need to perform data analysis to create dynamic segments unique to your brand.

**Step: 5** – Test your strategy: Ensure you have correctly interpreted your survey data by testing it with your target audiences. This will help you to revisit your market segmentation strategies and make the necessary changes.

**Step: 6** – Implement the strategies: Once the marketing plans have been tested and improved, put them into action on a larger scale.

**Step: 7** – Evaluate the performance: Evaluate how well each segment and marketing strategy is doing and make changes as needed.

**Step: 8** – Continue to improve: It is an ongoing process, so keep improving the segmentation criteria and marketing strategies based on customer feedback and changing market conditions.

By doing these things, businesses can effectively implement a market segmentation strategy and increase their chances of success in the marketplace.