

Marketing Management

Student's Name

Institutional Affiliation

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Question 1

i) In order to get closer to their customers, and understand their needs and wants better, marketers often employ qualitative marketing research techniques. Critically debate some of the more common qualitative research methods used by marketers and how they work in practice. (20 marks)

Quantitative marketing techniques are employed by marketers to identify and evaluate consumer behaviours; that is gain a better grip on the wants and needs of their customers. Identification of the needs of the target audience for any organization is vital in the development of suitable products and services that suit the consumers. Different marketers employ different marketing techniques depending on the information in the market (Roger, 1994). Some of the information that can be derived from effective qualitative marketing techniques include customer thoughts on the product or service, customer influences on choice of product, branding and packaging influences, price and the level of demand for the products in the area. Other factors like the size of the audience and the budgeted cost also hugely play into the marketing technique implemented by marketers.

Implementation of an efficient marketing technique ensures that the value of data obtained from the research is high and can boost productivity and subsequently, the profitability of an organization. A marketing technique can range from simple designs to sophisticated measures (Roger, 1994). A simple qualitative marketing research technique could be, for instance, a newly opening restaurant inviting some of the locals to taste some of their delicacies and provide their feedback. This technique not only familiarizes the locals to the restaurant

opening up the market but also build consumer relationships; it is essential to note that researches over time have noted customer loyalty as one of the key features for successful businesses (John & Shiang-Lih, 2001). Some of the standard qualitative research methods employed by marketers are discussed below.

Focus Groups

The idea in this technique can be derived from its name; focus groups are mainly composed of a certain number of experts brought together to discuss in-depth the product in question and its entry in a given market (Tobias, 2014). These experts led by a moderator of their choice provide their different opinions on the product, market composition and other factors. After a thorough discussion of the factors that influence the qualitative research methods, the experts run them down and identify the most suitable technique to be applied with a given market.

Interviews

Most marketers that apply interviews as their marketing strategy do it face-to-face or over a call. One of the main reasons that talks have proved to be an effective marketing strategy is because it provides first-hand feedback; this can reassure the organization of the availability of the market.

Innovative Research methods

In some cases, different marketers are open to coming up with some of their techniques they deem suitable for a specific market due to factors like culture and language. In such cases, innovation comes in as an added advantage. For instance, a marketer can decide to take photographs for later analysis in a case where communication is a barrier.

Observation

This method involves a far observation of the consumers in the market; this can be in shops or supermarkets. This method is becoming increasingly popular to marketers.

Lifestyle Immersion

In this case, researchers integrate lifestyle of the given community to try identifying some of the factors that influence their choice of products. Life immersion can be done over some time or in a significant social event in the community. In this case, the researcher is sometimes anonymous to the people.

ii) With reference to examples, please discuss how an organization might select and use both qualitative and quantitative marketing research methods for better understanding of its customers. Discuss the critical issues surrounding the validity and reliability of the various marketing research techniques. (30 marks)

Different factors play in the selection and use of other qualitative and quantitative marketing research methods for an organization. Selecting an effective marketing technique ensures that an organization maximizes its reach in the respective market; the criticality of the marketing technique calls for in-depth research before implementation to prevent loss of resources, including time and money. An organization has to identify the reliability of a method in individual settings (Gaetano, 2014). For instance, interviews may be suitable in some areas where the culture does not support; this may lead to bias in the information obtained. Before conducting market research some of the steps that can ensure validity and reliability in the marketing research techniques include; detailed planning and identification of the objective behind the research, noting different factors that may affect the research including nature of the study, demographics of the consumers and the location.

Nature of the study

Different factors, like the period of study, influence the reliability of the technique selected. Lifestyle immersion may be a more suitable technique for long time studies as opposed to interviews due to the cost of the course.

Demographics

The major components of a population positively influence the marketing technique selected. A marketing technique that works for older people may not be as effective for millennial. For instance, innovative research methods like taking photographs may be sufficient for the younger generation but not so much for the older generation.

Location

The cost of researching an urban area may not be similar to the cost of having it in a remote location. The availability of the locals also differs since most of the people in urban areas are usually busy during the day unlike in remote regions where areas of work are farms close to their homes; therefore the locals can be readily available for interviews.

The needs of consumers each differ with the different factors discussed above. The needs of people in rural areas are much less than those of people in urban areas. Examination of the factors ensures that marketing research is valid and reliable for the organization.

Question 2

i) The basic belief that it is not possible to serve the entire market effectively, marketers often segment markets. Critically discuss some of the more common market segmentation

approaches employed by marketers. Discuss the defined link between market segmentation, targeting and positioning.

(25 marks)

Most marketers opt for market segmentation since it is the best way to ensure that an organization executes their marketing strategies successfully to gain a better understanding of their target audience and identify their ideal customers (Katrin & Erik, 2010). One of the factors that affect the choice of marketing strategies for an organization is the composition of a particular population. The difference in the preferences between the individuals in the design is what calls for market segmentation. Marketers apply different market segmentation approaches to suit their various needs. Some of the standard market segmentation approaches include;

Demographic Segmentation

Demographic segmentation is one of the most common types of segmentation applied by marketers today. In this approach, several qualities of the population like age, family size, income, race, family size and religion play into the segmentation (Park et al., 2011). However, it is essential to note that demographic segmentation is a basic approach and would need other methods further to reduce the target population to a specific community. Data used in demographic segmentation can be obtained first-hand or second-hand from secondary sources. Getting demographic information first-hand from interviews may provide accurate data, but it is highly time-consuming. Second-hand details on the demographics of a population may be obtained from government statistics on the given population. Government statistics can be obtained from census or postal records.

Behavioural Segmentation

Different consumer behaviours can also be applied in market segmentation. Some of the behavioural features that can be used in this approach include; shopping habits, usage and loyalty. These features provide information on the interaction of a consumer with a product. Information on the frequency of online shopping by consumers can be obtained from websites; such information shows the probability of the consumer purchasing a product from a website. Loyalty can be determined by the frequency at which a consumer buys a specific product (John & Shiang-Lih, 2001). Such information improves the efficiency of marketing to such consumers.

Geographic Segmentation

Geographical segmentation separates its market based on its location (Park et al., 2011). Identification of the different areas of an organization's consumers helps the marketers come up with location-specific advertisements and identify some of the needs specific to the place. Different features of an advertisement can be customized for different locations like language and the equipment within the advertisement. Some factors like climate may also affect the suitability of the product in some areas. Geographic segmentation is also quite important for companies offering delivery services. Knowledge of locations reduces cost and ensures timely delivery to each of their customers.

Psychographic Segmentation

As the name suggests, psychographic segmentation focuses on emotional and mental characteristics. This approach to segmentation is more sophisticated and requires more skill since emotional and mental features cannot be identified by simple observation (Park et al., 2011). However, psychographic segmentation enables characterization of marketing strategies to appeal to the specific population. Some of the mental and emotional traits that are applied in this

approach to market segmentation include individual interest, traits, beliefs, attitude and values. The lifestyle of individuals can also be used in the psychographic segmentation of a population.

Minor segmentation approaches

Other than the discussed characteristics, some minor characteristics can be used in market segmentation. These include generational segmentation, life stage and seasonal segmentation (Park et al., 2011). Generational segmentation separates a population into the different generations that share certain traits. These generations include; millennial, generation X and Gen Z. Seasonal segmentation distinguish its products in the market depending on the different seasons of the years, for instance, specific products to the Easter season and other for Christmas. Life stage segmentation distinguishes its market throughout the stages of life, for instance, college admission and marriage. Individuals have different requirements at different stages of life; this makes life stage segmentation an efficiency strategy in the identification of target audiences within a particular market.

ii) By referring to a company you are familiar within the Middle East (or elsewhere), please demonstrate, in a logical fashion, how it segments the market and positions its product/service.

One of the most developed industries in the Middle East is the automotive industry. Most of the world's automotive export is from this region. Just like any other company with a competitive advantage in the global market, the automotive industry highly applies several market segmentation techniques. Demographic segmentation is the main approach applied in the automotive industry. The curve of any given economy is kept by the difference between the incomes amongst the members of the given communication. This implies that at any given time,

there are individuals throughout the whole economy curve. One of the main features used in demographic segmentation is income. To effectively support all individuals within the population, the automotive industry has a variety of its products within the market. One branded automotive company may have different models of their cars that have a range of prices. Most companies within the automotive industries have their products ranging from a luxury brand, an economy brand and a mid-range brand (Raj et al., 2007). This clearly shows how the company has separated its market suitably supporting each of their needs within their budget.

Geographical segmentation is also an essential feature in the automotive industry. The features of a vehicle being sent to a tropical region may not be similar to those sent to areas outside the tropics. This applies much during the winter season where some of the areas covered with snow may require specific features. A vehicle that is required to operate in a desert region also has to have specific features to be suitable for use in the area.

One automotive industry that applied these approaches to market segmentation is the Hyundai Company based in South Korea in the Middle East. Segmentation enables the company to narrow down their markets that are usually extensive and highly diversified. Throughout research surveys, the company has been able to implement segmentation in their market strategies for their products (Hyundai, 2020). Most of the company's products are segmented with factors such as the age group, income of the population which subsequently determines their affordability, usage and safety measures required for individual setting. The most important factor for the Hyundai Company is affordability. The company has segmented its products as follows based on the affordability of the main population in their market. The company has a total of five divided segments from A-E; segment A represents the lower class within their market, segment B the middle class, segment C the higher middle class and segment D & E.

Different designs launched by the company are targeted to a specific segment of their market. For instance, their first car, Santro was mainly targeted to the middle-class population; segment B, their other car Elantra targeted Segment D&E, and finally, Accent targeted Segment C customers (Hyundai, 2020). The company ensures that each of these products is suitable for the needs of the specific segment and affordable by individuals covered in the segment.

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