

INTRODUCTION TO TARGET MARKET

- A target market is a group of potential customers that you identify to sell products or services to.
- Each group can be divided into smaller segments. Segments are typically grouped by age, location, income and lifestyle.
- Once you've defined your target audience, you'll find it easier to determine where and how to market your business.
- Steps in target marketing:-
 - Segmentation:-
 - Targeting:-
 - Positioning:-

- Segmentation:-
- Segmentation means to divide the marketplace into parts, or segments, which are definable, accessible, actionable, and profitable and have a growth potential.
- In other words, a company would find it impossible to target the entire market, because of time, cost and effort restrictions. It needs to have a 'definable' segment - a mass of people who can be identified and targeted with reasonable effort, cost and time.
- Segmentation is done by four basis:-
- Geographic basis-The definition of geographical segmentation is a marketing strategy that involves dividing customers into groups based on geographic characteristics
- Divide the market place on the basis of:-
- State
- City
- Population
- Climatic conditions

- Demographic segmentation basis:-
- Demographics segmentation is defined as a market segmentation method that divides market place based on variables such as age, gender, income, etc.
- This segmentation helps organizations understand consumer behavior accurately that in turn, helps them perform better.
- Demographic segmentation is done on basis of:-
 - Age of customer.
 - Gender of customer.
 - Income of customer.
 - Profession of customer.

➤ Psychographic segmentation basis:-

➤ Psychographic segmentation is the method of dividing marketplace by dividing customers into groups using psychological characteristics including personality, lifestyle, social status, activities, interests, opinions, and attitudes.

➤ Behavioral segmentation basis:-

➤ It divides the market place on the basis of behavior of customers.

➤ how do they buy good/products (online/offline)

➤ When do they buy goods/products(time, month)

➤ What type of offer they expect while purchasing (flat discount/ gift e.t.c)

TARGETING

- Targeting is a process of selecting a target market. For targeting a market for business following steps are followed:-
- Conduct market research:-
- Before targeting the market a research is done what are the needs of the customers & what does the customers demands & expects from products (quality & price).
- Industrial analysis:-
- In this we analyse the product which is to be manufactured on the basis of similar product made by the competitors already available in the market.
- What is product price & quality of product which is delivered by our competitor to the customers so that we can identify where the competitors are lagging .

➤ Customer analysis:-

➤ In this we analyse in the types of customers that is what number & in what region the customer satisfaction by already available product is not achieved.

➤ This helps a lot in targeting a market.

➤ POSITIONING:-

➤ Positioning in marketing is a strategic process that involves creating an identity/ image of the brand or product within the target customers' minds.

➤ Once the segmentation & targeting is done the positioning is done.

- In this we promotes the product /services & differentiate the product & services with respect to the product & services of our customers on following basis:-
- Pricing:-
 - Promotes our product/services to our targeted customers (audience) on basis of price that is the product /services which we are delivering is at reasonable cost as compared to our compitetors.
- Quality:-
 - Promotes our product/services to our targeted customers (audience) on basis of quality that is the product /services which we are delivering is with better quality as compared to our competitors.
- Convenience:-
 - Promotes our product & services to our targeted customers(audience) on basis of availability & easily achievability.
- In this company launches their product /services in both online & offline mode.

- User group:-
- In this company explains their product/services to the targeted customers why it best for this user group & only made for this user groups.
- For example , Johnson's vs. Axe. While Johnson's baby shampoo positions itself as gentle for children, Axe body spray targets men.

BENEFITS OF TARGETING MARKETING

- Marketing to a targeted audience can have several benefits compared to marketing to everyone:
- **Increased efficiency:** By targeting a specific group of people, you can make the most of your marketing budget and resources. You can tailor your message, product, and strategy to meet the specific needs and interests of your target audience, leading to a higher return on investment.
- **Better conversion rates:** When you market to a targeted audience, you are more likely to reach people who are genuinely interested in your product or service. This leads to higher conversion rates, as people are more likely to take action when they see a message that relates with them.

- Deeper customer relationships: By targeting a specific audience, you have the opportunity to build deeper relationships with your customers. You can better understand their needs and preferences and use this information to create a more personalized experience.
- Better brand recognition: When you consistently target the same group of people, they become familiar with your brand. This leads to better brand recognition and can help you establish a strong reputation within your target market.

COMPETITIVE EVALUATION

- Competitive evaluation is also known as competitor analysis.
- It is basically a strategy where you identify major competitors in the market which delivering same kind of product & services, research their product ,sales & business strategies.
- By doing this, you can create solid business strategies which helps you in improving the product/services which you are delivering with respect to your compitetors.
- Thus through competitor analysis you can know about the weakness of your competitor & make that of as your strength on the basis of that improve your product & services & become “KING” of the market .

- Needs /benefits/advantages of competitive analysis:-
- It also enables you to stay a top of industry trends and ensure your product is consistently meeting — and exceeding — industry standards.
- Helps in making your product unique among all the available products & differentiate with them.
- Enables you to identify what your competitor is doing right. This information is critical for staying relevant and ensuring both your product and your marketing campaigns are outperforming industry standards.
- Tells you where your competitors are falling short — which helps you identify areas of opportunities in the marketplace, and test out new, unique marketing strategies they haven't taken advantage of.
- Learn through customer reviews what's missing in a competitor's product, and consider how you might add features to your own product to meet those needs.

- How to do a Competitive Analysis:
- 1. Determine who your competitors are:-
- Divide your “competitors” into two categories: direct and indirect.
- Direct competitors are businesses that offer a product or service that could pass as a similar substitute for yours, and that operate in your same geographic area. Example Maruti Suzuki & mahendra both manufactures cars.
- On the other side , an indirect competitor provides products that are not the same but could satisfy the same customer need or solve the same problem. Example bike manufacturer & scooter manufacturer.
- Note:-When comparing your brand, you should only focus on your direct competitors.

- 2. Determine what products your competitors offer.
- At the heart of any business is its product or service, which is what makes this a good place to start.

- You'll want to analyze your competitor's complete product line and the quality of the products or services they're offering.

- You should also take note of their pricing and any discounts they're offering customers.

- 3. Research your competitors' sales, tactics and results:-
- What channels are they selling through?
- Do they have multiple locations and how does this give them an advantage?
- Do they have partner reselling programs?
- What are their customers' reasons for not buying?
- What are their revenues each year? What about total sales volume?
- Do they regularly discount their products or services?
- How involved is a salesperson in the process?

- 4. Analyze how your competitors market their products.
- Analyzing your competitor's website it is the fastest way to gauge their marketing efforts. Take note of any of the following items and copy down the specific URL for future reference:
 - Do they have a blog?
 - Are they creating whitepapers or ebooks?
 - Do they post videos or webinars?
 - Are they using static visual content such as infographics and cartoons?
 - Do they have a FAQs section?
 - Do you see press releases?
 - What online and offline advertising campaigns are they running?
- 5. Learn what technology stack your competitors' use.
- Understanding what types of technology your competitors' use can be critical for helping your own company reduce friction and increase momentum within your organization.

- 6. Analyze the level of engagement on your competitor's content.
- To gauge how engaging your competitor's content is to their readers, you'll need to see how their target audience responds to what they're posting.

- Check the average number of comments, shares, and likes on your competitor's content and find out if:
 - The comments are negative, positive, or a mix
 - People are tweeting about specific topics more than others.
 - Readers respond better to Facebook, you tube, Instagram , snapchat & other social media platforms.

- Perform S.W.O.T analysis:-
 - S- strength
 - W-weakness
 - O-opportunity
 - T-threats

S.W.O.T ANALYSIS

Internal

Strengths

- What do we do well?
- What have our customers or partners told us they like about us?
- In what areas do we outpace our competitors?
- What's unique about our business, products, or services?
- What assets do we own (Intellectual property, proprietary technology, capitol)?

Weaknesses

- What can we improve?
- What are our customers or partners dissatisfied with?
- Where do we fall behind our competitors?
- Where are we lacking in knowledge or resources?

External

Opportunities

- What emerging trends can we take advantage of?
- Which of our strengths might be valuable to potential partners?
- What adjacent markets might we tap into?
- Are there geographic locations with less competition?

Threats

- What is our competition doing?
- How could our weaknesses leave us vulnerable?
- What market trends are we unprepared for?
- What economic or political issues could impact our business?

Positive

Negative

ACCOUNTING & MARKETING

- Marketing and accounting are both key functions in the running of a business. However, they are different areas of operations with a different focus.
- Marketing looks outside of the company to the customers and the organization's relationships with them while accounting aim on the monetary affairs of the business.
- Accounting is all about numbers. It is the process by which a company records its outgoing and incoming income & balance them against each other.
- Accounting records the nature and value of each transaction performed by the company. This includes the purchase of a service, product or material, the sale of a service or product, and expenditures of any other kind, including staff wages, taxes paid by the organization, overheads for company premises or interest on financial loans.

- Marketing concerns public relations between a company and its customers.
- It is concerned with the company getting the right product into the right places to satisfy a need identified in its customer base.
- It is also about ensuring that customers are aware of the availability of a company's product, through means such as advertising and other product promotions.

ACCOUNTING & MARKETING TOGETHER

- Although accounting departments and marketing departments are separate and distinct, but they must work together to monitor sales trends and to manage the effectiveness of marketing campaigns.
- When the two departments work together, sales trends are tracked, marketing campaigns are budgeted wisely, resources are allocated efficiently, and the business runs more smoothly.
- Accounting department determines a business's financial condition, which in turn gives a marketing department a budget in which to operate. By keeping track of sales trends, accounting departments inform senior management as to whether the organization can allocate more fund to marketing.

RISK ANALYSIS

- It is also known as Risk Assessment.
- Risk in business are those unwanted & uncertain factors which are having hazardous impact on the functioning of organization which causes the organization to suffer loss.
- Therefore it is very much necessary to eliminate or reduce these unwanted , uncertain factors inorder to protect the organization from suffering the losses.
- The process of identifying ,assessing & prioritizing risk & developing strategy to reduce or eliminate them is called risk management.

5 steps in risk management:-

1. Identifying your risk:-

- This involves looking all aspect of your business including operations, finance & other activities.

- Risk in operational activities:-
 - Interruption in supply of resources.
 - Interruption in production due to technical failure.

- Risk in financial activities:-
 - Sudden increment in prices of resources required for production.
 - Sudden increment on tax rate on loan /debt.
 - Sudden increment labour cost.

- Risk due to other activities:-
- Natural calamities (flood ,earthquake etc)
- Man made calamities(fire ,explosion etc)
- In identifying risk you must have to consider both external risk like market changes & competitors threat & internal risk like employee turnover & equipment failure.

2. Assessment of risk:-

- When the risk are identified then it is important to assess the likelihood & impact of risk.
- In this we analyse the probability of each risk occur & what is the intensity of the consequences of each risk this will help in prioritizing the risk helps in determining which will require most attention.

➤ Risk management strategy:-

➤ Once the identification & assessment of risk is done then the required strategy are develop to minimize the risk or eliminate the risk. Following strategy are follows:-

➤ 1. Avoiding Risks:-

➤ If a product or service poses more risks than benefits, then it may be necessary for an organization not to invest in that product or service. If there are geopolitical risks that can threaten an organization's projects, it may be a better choice to avoid those risks and select a different region to launch a project.

➤ 2. Accepting Risks

➤ Sometimes avoidance isn't an appropriate response, and acceptance may be the better practice. When a risk is unlikely to occur or if the impact is minimal, then accepting the risk might be the best response.

3. Mitigating Risks:-

- This means identifying the risk, assessing all possible solutions, devising a plan, taking action, and monitoring the results. For example, to mitigate risk of new product production, a project team may decide to implement product testing to avoid the risk of product failure before the final production is approved.
- 4. Risk Transferring
- There are when challenges or issues arise and you or your team may not be able to avoid, accept, or mitigate them. One example may be a lack of expertise or training required to address the risks. In this case, it may be a good idea to transfer the risk to another party for example risk can also be transferred to an insurance company, which may reimburse organizations for certain realized failure.

4. Implement the risk management strategy:-

- Once the risk management strategy are developed then its time to put them into action.
- This may include changes to your business operations, implementing new policies , or investing into new product & technology.

5. Monitor & review the risk management plan:-

- Risk management plan is not an one time effort , it is required to continuously monitor & review the risk management plan to ensure its effectiveness.
- This includes reassessing your risk & updating the strategy if required