

MARKETING MANAGEMENT

UNIT-1

PART-XI

FACTORS INFLUENCING

The next question is: How should a policy be purposefully adopted in segmenting the markets? The question arises because of the alternative strategies available for a manufacturer. The basic elements that influence in deciding the principle of segmentation are:

1. Company Resources. Market segmentation is not just a 'blue-print on paper, it involves heavy expenditure in implementing it. Unless the company has got enough resources, market segmentation cannot be undertaken at all.

2. Product Characteristics. Most products are heterogeneous in character but certain products show homogeneity. In the case of former type, market segmentation is necessary but in the latter case the necessity of segmentation is disputed. Salt, Kerosene etc. fall in the second group, and in their case undifferentiated marketing is enough.

3. Position of the Product in the Product Life Cycle. The various stages of a product cycle are: Introduction, Growth Maturity, Saturation and Decline. In the first and last stages market segmentation is meaningless. During introduction on stage the necessary data cannot be collected and in the last phase the necessity for market segmentation does not arise at all.

4. Homogeneous Nature of Market. When the market is of homogeneous nature, there is not much use of segmentation. Proper segmentation of market is required only when the customer preferences vary from group to group.

5. Competitive Marketing Strategies. Sometimes it might become necessary to fall in line with the competitor activity of market segmentation.

Marketing to New Consumer Segments

The battle for wrist share is well underway in Titan's core business of watches. The Chinese invaded the lower end of the market where unbranded watches proliferate, the Japanese are in the mid segment along with Allwyn and Times, and the Swiss reign in the luxury bracket. Besides, an unexpected new contender for the role of popular timekeeper is the cellular phone. The focus on the upper customer and image is gone. Consequently, the focus is now on the lower end of the watch market where volumes are high and new niches can be created. Niche consumer segments based on life socio-economic groups and personalities have been identified and targeted. Each segment is the object of a more focused marketing approach, with unpopular watch models phased out and new models brought in. Pricing and design are the critical criteria. One of the assets Titan holds a strong brand equity.

Titan's design advantage is taking into account considerations such as smaller Indian wrist size, highest perspiration level (which play a role in leather straps), as well as greater wear and tear on gold plating. In the final analysis one has to be relevant to the consumer in all his changing needs. Similar those undertaken by the competitors have to be made to meet the competition effectively. Experience shows that it is difficult for an organisation to be successful through undifferentiated marketing, when competitors are practising active segmentation.