

# Marketing and Sales Management

## Module III

Based on June 2021, Curriculum Version 1



**Module Title: - Profiling Market**

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### **Acknowledgment**

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### **Introduction to module**

In marketing field Profile market help to know how segment the market ,identify the target market, profile the target market and develop a positioning strategy under the marketing and sales managements fields.

This module is designed to meet the industry requirement under the profile market occupational standard, particularly for the marketing and sales management.

### **This module covers the units:**

- Segmenting the market
- Identifying the target market
- Profiling the target audience
- Developing a positioning strategy

### **Learning Objective of the Module**

- Segment the market
- Identify the target market
- Profile the target audience
- Develop a positioning strategy

### **Learning Instructions**

For effective use this modules trainees are expected to follow the following module instruction:

1. Read the specific objectives of this Learning outcome.
2. Follow the instructions described below 3 to 5.
3. Read the information written in the “Information Sheets Try to understand what are being discussed. Ask you teacher for assistance if you have hard time understanding them.
4. Accomplish the “Self-check” given at the end of each information sheet
5. If you earned a satisfactory evaluation, proceed to next information sheet. However, if your rating is unsatisfactory, contact your teacher for further instructions

## Preface

The reformed TVET-System is an outcome-based system. It utilizes the needs of the labor market and occupational requirements from the world of work as the benchmark and standard for TVET delivery. The requirements from the world of work are analyzed and documented taking into account international benchmarking as occupational standards (OS).

In the reformed TVET-System, curricula and curriculum development play an important role with regard to quality driven TVET-Delivery. Curricula help to facilitate the learning process in a way, that trainees acquire the set of occupational competences (skills, knowledge and attitude) required at the working place and defined in the occupational standards (OS). Responsibility for Curriculum Development will be given to the Regional TVET-Authorities and TVET-Providers.

This curriculum has been developed by a group of professional experts from different Regional TVET Bureaus, colleges, Industries, Institutes and universities based on the occupational standard for Marketing and Sales Management level III

It has the character of a model curriculum and is an example on how to transform the occupational requirements as defined in the respective Occupational Standard into an adequate curriculum.

The curriculum development process has been actively supported and facilitated by Ministry of Labor and Skills.

## UNIT ONE SEGMENT THE MARKET

The learning guide Advice on resource requirements is developed to provide you the necessary information regarding the following content coverage and topics are:

- Identifying segment criteria
- Accessing information
- Segmenting and identifying the market.
- Reviewing market segments
- Selecting and choosing market segments.

Applying new segmentation The above Learning guide will also assist you to attain the following specific objectives. Specifically, upon completion of this Learning outcome you will be able to:

- Confirm segment criteria according to business policy and procedures.
- Access Personal sales targets against to agreed parameters.
- Identify and segment market and sales targets.
- Review market segmentation according business policy ‘
- Analyse and determine common factors supporting or deterring marketing segment.

### 1.1. Identifying segment criteria

Market segmentation is practiced by most businesses in one form or another, as a way of streamlining their marketing strategy by dividing broad-based target markets into specific groups of consumers, and devising marketing methods that will appeal to each group.

Choosing a target market depends on the nature of the product and company strategy. When choosing a mass marketing strategy, a company ignores market segments. The company assumes consumers in the target market have similar needs and tastes. They develop a single marketing mix for all target customers.

Meanwhile, for target marketing, the company divides the market into small groups (called market segments). Three often-used approaches are geographic segmentation, demographic

segmentation, and psychographic segmentation. Each group represents unique tastes, needs, and buying behavior. Also, consumers in the same segment need similar products and respond similarly to the marketing mix.

Clearly defined market segmentation criteria not only ensure that customers are more likely to identify – and purchase – the product that is right for them; it also minimizes wastage of resources, reducing the time spent marketing the wrong products to the wrong customers. It is important, however, to focus resources on market segments whose size, growth and profitability is good, both immediately and in the long run. The following 4 market segmentation criteria should be useful when planning your own company’s market segmentation strategy.

**1. Geographic Market Segmentation**

The first group of market segmentation criteria is based on geographic variables. Geographic market segmentation divides the market into geographical units, which can be nations, states, regions, cities or even neighbor hoods.

**2. Demographic Market Segmentation**

Demographic market segmentation is all about people. It divides the market into segments based market segmentation criteria that tell us something about the population: age, gender, family size etc. Worthy of note is the fact that demographic market segmentation variables are the most popular bases for consumer market segmentation. The reason is that consumer needs and wants are often interrelated with demographic variables. Also, demographic variables are rather easy to measure in contrast to many others.

**3. Psychographic Market Segmentation**

Market segmentation criteria of psychographic nature allow to divide the market into segments based on variables such as social class, lifestyle and personality.

See here for our complete guide on using psychographics in marketing as a powerful segmentation criterion.

**4. Behavioral Market Segmentation**

Behavioral market segmentation divides a market into segments on basis of consumer knowledge, attitudes, uses or responses to a specific product

4 Types Of Target Market



Figure 1.1

### 1.1.1. Multiple Criteria Market Segmentation

In order to segment markets appropriately, you must combine the most relevant segmentation criteria for your company and product. The combination of market segmentation criteria should lead to market segments that are measurable, accessible, substantial and actionable. The result should be precise, better-defined target groups.

Below, you can find all the criteria including examples

<b>Segmentation variables for Market Segmentation</b>	
<b>Variable</b>	<b>Example</b>
<b>Geographic</b>	
<b>World region or country</b>	Africa, Asia, Europe, North America, China, India...
<b>Country region</b>	England: East Midlands, Greater London...
<b>City or metro size (population)</b>	Under 5,000; 5,000-20000; 20,000-50,000...
<b>Density</b>	Urban, suburban, exurban, rural
<b>Climatic zones</b>	Northern, Southern, Polar, Temperate, Tropical...
<b>Demographic</b>	
<b>Age (years)</b>	Under 6, 6-11, 12-19, 20-34...
<b>Gender</b>	Male, female
<b>Family size</b>	1-2, 3-4, more than 5
<b>Family life cycle</b>	Young, single; married, no children; single parents...
<b>Income</b>	Under 20,000€; 20,000-30,000€...
<b>Occupation</b>	A - Professionals and managers; B - ...; C - unemployed...
<b>Education</b>	Terminal education age 16/18, university graduates...
<b>Religion</b>	Catholic, Protestant, Jewish, Muslim, Hindu...
<b>Race</b>	White, Asian, Hispanic, Black, Chinese...
<b>Generation</b>	Baby-boomer, Generation X, Millennial...
<b>Nationality</b>	North American, South American, British...
<b>Psychographic</b>	
<b>Social class</b>	Underclass, Working Class, Middle Class...
<b>Lifestyle</b>	Innovators, Thinkers, Believers, Experiencers...
<b>Personality</b>	Compulsive, outgoing, authoritarian, ambitious...
<b>Behavioural</b>	
<b>Occasions</b>	Regular occasion, special occasion, holiday...
<b>Benefits sought</b>	Quality, service, economy, convenience, speed...
<b>User status</b>	Non-user, ex-user, potential user, first-time user...
<b>User rates</b>	Light user, medium user, heavy user...
<b>Loyalty status</b>	None, medium, strong, absolute...
<b>Readiness stage</b>	Unaware, aware, informed, interested, intending to buy...
<b>Attitude toward product</b>	Enthusiastic, positive, indifferent, negative...

Figure 1.2

## 1.2. Accessing information

Information access is the ability to identify, retrieve, and use information effectively. Access to information is vital to social, political, and economic advancement. Traditionally, information has been disseminated in a variety of formats that have been widely accessible, often through public libraries.

Market access is the ability of a company to sell its products and services in a foreign market. When it comes to international trade, market access can be accomplished through exporting, licensing, franchising, or establishing a joint venture.

Many factors can affect a company’s ability to gain market access, including tariffs, quotas, and other trade barriers. Market access can also be limited by a lack of infrastructure or regulations in a foreign market.

- **Market Access for new trade**

In recent years, market access has become an increasingly important topic in international trade. As the global economy has become more integrated, companies have been seeking to expand their operations into new markets.

At the same time, countries have been looking for ways to protect their industries and jobs from foreign competition. As a result, market access has become a key issue in trade negotiations. Countries are seeking to remove barriers to their exports, while simultaneously protecting their industries from imported goods and services.

- **Multi-lateral trade system**

The multilateral trading system is based on the principle of nondiscrimination. This means that countries cannot discriminate between their trading partners. They must treat all World Trade Organization(WTO) members equally.

Import duties, quantity limits, technological requirements, trade transparency in national trade regulation, and unfair customs formalities and procedures are some of the most typical roadblocks to market access. Customs duties, quantitative restrictions, technical criteria, a lack of transparency in national trade regulation, unjustified application of customs formalities and processes, and their diversity necessitate the use of distinct rules to control these tariff and non-tariff barriers.

The WTO covers three main categories of trade rules: those related to customs duties (tariffs), quotas, and other non-tariff barriers such as technical regulations and standards, sanitary measures, customs formalities, and government procurement practices. In addition, there are also rules concerning transparency and “justifiability” to make sure market access is still available.

### **1. Custom Duties**

Customs duties are taxes or charges levied on the import or export of goods. They are based on the value of the goods and can be either ad valorem (a percentage of the value) or specific (a set amount per unit).

### **2. Quantitative Restrictions**

Quantitative restrictions are limits on the quantity of a good that can be imported or exported. They can take the form of quotas, which set a maximum quantity that can be imported, or bans, which prohibit imports altogether.

### **3. Non-Tariff Barriers**

Non-tariff barriers are measures that restrict trade but do not take the form of tariffs or quotas. They can include technical regulations and standards, sanitary measures, customs formalities, and government procurement practices.

### **4. Transparency and Justifiability**

Transparency is the principle that WTO members should make their trade policies and practices available to the public. This includes making information available on tariffs, quantitative restrictions, and other non-tariff barriers.

Justifiability means that WTO members should provide a mechanism for resolving disputes over trade policies and practices. This can be done through the WTO dispute settlement system, or through bilateral or regional agreements.

### **Sources of Marketing Information**

Within most decision-making processes, a variety of information is utilized. In a very broad sense, two types of information sources exist those generated within the firm and those in the market environment.

# Sources of Information

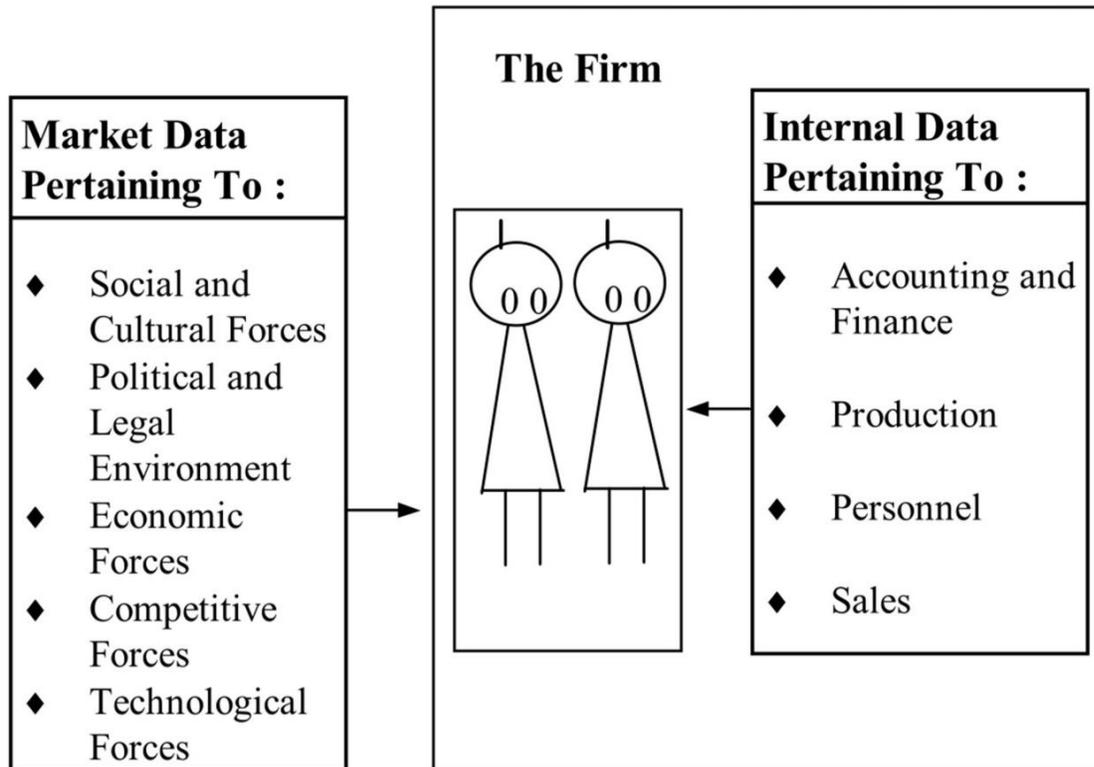


Figure 1.3

The following figure shows the sources of information to the decision-makers of a firm.

Certainly, one of the most significant sources of information for marketing decisions is within the firm itself. Internally prepared economic and sales forecasts, past sales records and estimates of market shares, and assorted cost schedules typically are useful pieces of information.

The second broad type of information source is the data generated outside the firm.

### Sources of information for segmenting and profiling markets include:

- Advertising sales representatives
- Existing research data
- Industry sources
- Media representatives
- Original a priori research
- Original response based research
- Owners or brokers of mail, email and phone lists
- Sales representatives
- Website operators

### 1.3. Segmenting and identifying the market.

Market segmentation is the process of dividing a broad population or target market into subgroups of consumers according to certain shared factors. These can be based on demographics (age, gender, etc.), geographic location, attitudes, and behavior.

The term market segment refers to people who are grouped together for marketing purposes. Market segments are part of a larger market, often lumping individuals together based on one or more similar characteristics. Corporations and their marketing teams use various criteria to develop a target market for their products and services. Marketing professionals approach each segment differently, but only after they fully understand the needs, lifestyles, demographics, and personality of the target consumer.

- A market segment is a group of people who share one or more similar characteristics.
- Corporations and marketing teams use various criteria to develop target markets for their products and services.
- The criteria for a market segment include homogeneity among the segment's main needs, uniqueness, and a common reaction to marketing tactics.
- The reaction from market segments to marketing plans or strategies is typically very predictable.
- Common market segment traits include interests, lifestyle, age, and gender.

A market segment is a category of customers who have similar likes and dislikes in an otherwise homogeneous market. These customers can be individuals, families, businesses, organizations, or a blend of multiple types.

Market segments are known to respond somewhat predictably to a marketing strategy, plan, or promotion. This is why marketers use segmentation when deciding on a target market. As its name suggests, market segmentation is the process of separating a market into sub-groups, in which its members share common characteristics.

To meet the most basic criteria of a market segment, three characteristics must be present:

- there must be homogeneity among the common needs of the segment
- there needs to be a distinction that makes the segment unique from other groups
- the presence of a common reaction or a similar and somewhat predictable response to marketing is required

Common characteristics of a market segment include interests, lifestyle, age, gender, etc. Common examples of market segmentation include geographic, demographic, psychographic, and behavioral.

### **Examples of Market Segments and Market Segmentation**

The banking industry provides a very good example of how a company markets to specific market segments. All commercial banks service a wide range of people, many of whom have relatable life situations and monetary goals. If a bank wants to market to baby boomers, it conducts research and may find that retirement planning is the most important aspect of their financial needs. The bank can then market tax-deferred accounts to this consumer segment.

### **Identify Market Segments**

Businesses may use operational tools, such as market segments, to define categories within their markets and gain a better understanding of the effectiveness of their advertising efforts. Defining and targeting these groups can help companies boost sales by improving marketing campaigns and appealing to members of their audience. Understanding market segments and how to use them can allow an organization to grow its customer base and increase revenue.

Broadly speaking, identifying a market segment requires the following three criteria. To start, the main needs of a sub-group must be homogenous. Second, the segment must share distinct characteristics. Finally, the segment produces a similar response to marketing techniques. Prospective buyers are grouped into various segments, often based on how much value they place on a product or service.

### **Importance of market segments**

Market segments are important because they can help companies better understand and serve their audiences. Identifying the segment or segments that a business markets to can help it differentiate its brand in unique ways. Marketing professionals can identify opportunities for connecting with an underserved niche and build stronger relationships with their customers by uniquely serving their needs.

Businesses in the process of customizing their products and services might use market segmentation to determine what options yield the most sales. For example, a coffee shop in a college town can use market segmentation to research the student audience. Using this

information, the shop may select promotions, such as late-night specials leading up to finals, that cater to the most prominent market in that location.

#### 1.4. Reviewing market segments

Reviewing market segments Once you have segmented the market as described in the previous topics, to review them to ensure that they meet all of your organization’s requirements. (It is important to do this before money is spent advertising to the group.) There may be a range of issues which can be identified and rectified.

- **Segment size Usefulness in terms of size include:**
  - ✓ Segments which are large enough to justify the expense of creating distinctive offers and creative executions
  - ✓ Small segments which are viable if telephone and email are used as communication media rather than other types of media. Size is one of the most important indicators of usefulness.

If your criteria would have you marketing to less than 100potential consumers, it is likely that it wouldn’t be profitable .You may not reach all 100 people; not all of them would buy, and those that do likely won’t be enough to cover the cost of the campaign. However, larger segments can justify greater expenses, including distinctive offers and more creative marketing campaigns.

The parameters for what is considered too large or too small will vary depend on your organization’s business model; for example, consumers for the motorhome dealer in the previous chapter would likely spend into the thousands, while students would only spend a few dollars

Note that smaller segments may be viable if you are able to increase the chance of reaching them. This could be done through communication means like telephone or email which guarantees it will reach the target, even if they don’t pick up or read it. By contrast, posters and billboards are far more likely to be ignored or simply not seen.

- **Segment potential includes:**
  - ✓ High response of market segment members to test campaigns
  - ✓ High response to previous campaigns by members of market segments.

When considering size, you will also need to consider the campaign’s potential. For example, smaller segments may become more viable if test campaigns showed that the segment responded at a higher rate than normal. (This may include researching the product, contacting the organization or actually purchasing.) Similarly, you can look to previous campaigns that have been aimed at similar market segments. Certain groups are more likely to ignore or respond to marketing; this can give an indicator of future behavior.

- **Distinctive needs of Segment**

A segment needs to have a distinctive identity that makes it different from the rest as well as visible elements that make it measurable. For instance marketing research could help a company identify different segments according to the type of holidays consumers of a certain age aspire to take. A segment has to be accessible. That means that reaching individuals within the segment should be economically sustainable. If an exclusive club in Barbados, for example, The Sandy Lane wanted to target up-and-coming executives around the world, they could easily find that reaching this market would be extremely costly. A segment has to be substantial. That is, it must be large enough to justify a separate marketing program. When considering whether or not there is a profitable segment, a company should take into account the segments purchasing power. While the prospect of opening a Hard Rock Cafe in Cuzco, Peru, would be interesting, those with disposable income are so few, that the venture would not be cost-effective. A segment has to be responsive. A hotel is planning to invest a substantial amount of money in targeting environment-friendly consumers, however if it is foreseen that the segment will not respond favorably to the marketing programs designed for them, then the market is said to be not responsive and the effort not worth undertaking.

- **Identification of members of segmentation**

Member segmentation is a big picture description of your member or customer base. Predictive models and forecasting will not be as accurate if you have not first performed member segmentation based on historical data.

Member segmentation allows you to cluster your customers into groups that share similar behaviors, demographics, and characteristics so that you can customize marketing content or product offers to be more effective and relevant to each specific group.

It is essential that you do proper market segmentation before launching a new product, to ensure that you are marketing it as efficiently and effectively as possible to all potential buyer groups. In practice, this should raise your conversion rates and save you time and money (targeted advertising vs. not) in the long run.

**Some common member segment descriptors:**

- ✓ Demographic
- ✓ Geographic.
- ✓ Behavioral
- ✓ Lifestyle
- ✓ Loyalty:
- ✓ Value

**The Benefits**

Breaking down a larger target group into more manageable pieces allows your marketing department to work more efficiently. In the process of segmenting, you may discover a new segment that you did not expect, and may in turn alter your marketing efforts accordingly. This process will also help you see what the key motivators are for your members, so you can then brand your product with them in mind.

Geographic Intel on your target market may also help you to better understand how, when, and where to optimally distribute your product and promotion. Identify which members may need more attention from your marketing efforts, and which members do not.

**1.5. Selecting and choosing market segments**

**1.5.1 Selecting segmentation**

Whenever a new business starts, the common question which the business owner faces is “Which segment should you target?” It is not only about which segment, but also about how many types of customers you want to target and what you have on offer which will satisfy or create value in the minds of your consumers.

Segmentation is considered as one of the first few steps in building a marketing plan. It is done even before building the marketing mix or carrying out a SWOT analysis. It is one of the three legs of the age old core marketing fundamental of Segmentation targeting and positioning (STP). It is therefore safe to say, that you cannot proceed with your marketing plan unless and until you choose a market segment to target.

As segmentation is important and because it can help you market to a select group of customers, the common question we see in the market is “How do i choose a market segment?”. It is a very valid question too. The difficulty in selecting one method of market segmentation, is that you will have to leave another market segment. Due to human nature, we are never able to leave anything and we want everything we can have.

### **1.5.2.Approaches to Market segmentation and to choose a market segment.**

#### **A) Full Market coverage or Mass marketing**

Whenever a firm wants to target all the customers to cater to the maximum level of market that it can, then it is known as full market coverage type of segmentation. In this scenario, the company knows that it can get maximum revenue and therefore maximum profitability, if it offers its goods in an open market manner – Everyone is targeted and there is no specific market segmentation involved. Some excellent examples of companies which chose a market segment based on full market coverage are Coca cola, Pepsi, Vodafone, or any other telecom companies and several FMCG companies.

These companies are the ones which manufacture goods which are useful to everyone – rich, poor, elderly, children, middle aged; absolutely anyone can consume their products. This type of marketing is also known as Mass Marketing.

#### **There are two types of marketing within full market coverage.**

- ✓ **Undifferentiated marketing** – Commonly carried out by the likes of Coca cola or Ford in its hey days. Coca cola is a company which has not differentiated its core product – Coke. The market segment is as far and wide as possible. In its hey days, Ford motor company utilized the undifferentiated marketing funda, wherein it manufactured the same type of cars for the complete mass market.
- ✓ **Differentiated marketing** – HUL and P&G are known as the champions of Differentiated marketing. Look at Dove from the house of HUL. Although HUL has several other soap and shampoo brands, Dove has still created a niche segment for itself due to the premium marketing and positioning of the brand. Even Coke, which has a core product Coca cola used by the mass market, has a differentiated marketing product – COKE ZERO which is used for a targeted mass market segment. A consumer durable

company like Philips too has many products which are useful for the mass market segment but are differentiated based on the consumers the products will be offered to.

A major benefit when you choose a mass market segment is that there is good Economies of scale. The larger the company, the lesser the cost and the better the ROI. As you choose more products to target to multiple segments, the cost of R&D, advertising, distribution and other costs increase with the increase in the number of products. As Mass marketing targets all the consumers based on one product, the ROI is fantastic.

But a problem associated with mass marketing, especially with the young generation and the dynamic people of the last decade is that each one of them wants to have unique products. They want to have differentiated products which are suitable for them. Hence, many companies are slowly shifting from undifferentiated marketing to differentiated marketing to have a better penetration and acceptance in the market. Maggi, which was majorly concentrated towards the mass market with its instant noodles, soon launched ATTA noodles and Oats to cater to the more differentiated market segment which was health conscious.

### **B) Multiple segments concentration to choose a market segment**

If your product is not something meant for the mass market, then you can also turn towards multiple segment concentration. In this type of market segmentation, you cater to multiple market segments with multiple products. So general electric caters to the consumer market segment through its consumer products such as Bulbs, lights etc whereas it caters to the business segment with its aircraft engines and gas turbines. Some products are targeted towards the mass market whereas others are targeted towards the niche market and GE gets the best of both markets.

The advantages of multiple segment concentration are that you get specialized for the segments you are going to concentrate on. Siemens is a company known to be a pioneer in its medical equipment and medical products such as Ultrasound and X-rays. At the same time, the company presence in IT manufacturing, Telecommunications, Business products and several other markets. Due to its core strength of technology and high performance products, Siemens has become a trusted brand in whichever segment it concentrates in. Such specialization builds the brand equity for the parent company across multiple segments.

The disadvantage of multiple segment concentration is that the costs are high. You have to market your products to each segment individually, and unlike mass marketing, there is no option to carry the same communications across multiple segments thereby saving the cost. The R&D cost, manufacturing cost, distribution cost, selling costs all increase when you are targeting multiple segments.

**There are two ways you can target multiple segments.**

- ✓ **Product specializations** – You market based on the specialized products that you can make. Honda is known for its engines and generators which are marketed to different customer segments.
- ✓ **Market Specialization** – SAP is a company which gives its enterprise management solutions to any of the companies which have a turnover of 100 cores and above. It caters to multiple segments and markets as long as the company has a high turnover rate. So SAP has a concentrated market of companies which are above 100 core turnover.

**C) Single segment concentration to choose a single market segment**

Single segment concentration is also known as concentrated marketing or Niche marketing. In the last few years, we have seen more and more companies doing gap analysis and filling up gaps in the market, thereby coming out as niche marketed companies. These companies choose their market segment based on the types of customers within the market segment.

**D) Individual segmentation**

Whenever a company customizes its products as per the individual customer, then it is known as Individual segmentation. The best company which literally gave birth to the word “Customization” is Harley Davidson. Each and every Harley is different and each of them has 1000’s of accessories to choose from. A customer can spend a lot of time upgrading his Harley and adding more accessories to it.

Individual segmentation is observed when a company changes its products based on one single customer and for each customer. Several telecom companies like Vodafone and Ariel have entered customization where each of the customer can choose his own data plan and create his own mobile plan as he wants. Subway is a Sandwich making company which gives individualized sub sandwiches for everyone. There are a lot of options given to the customer to make his own sandwich as he wants.

### 1.5.3. Factors to choose a market segment

**1) Size** – How big is the market segment you are going to target and will it be enough for your firm to cover the costs and to give handsome profits? After all, this is business and you need to have a good profit to be sustainable. Niche market’s have a lesser size but then the growth rate is fantastic and most companies start marketing to multiple niche markets to increase their operational size.

**2) Growth rate** – The growth rate of a market segment is important. If today, a company targets Desktops and not laptops then they will be in trouble. The reason is that although Desktops have a huge market share, the growth rate of desktops is declining rapidly. A company will be better off manufacturing both – laptops and desktops. So you need to see the growth rate before you choose a market segment.

**3) Profitability** – There are some industries which have become so competitive that they are not profitable anymore. Even in FMCG, the soaps and deodorants segment is so competitive, that the products are being sold at very low margins. A new entrant in this arena needs to consider the investment and the loss he will suffer over a period of time before his brand is established. Reliance JIO entered India by offering all its services for free. This goes to show how bad the profitability of the telecom market is, where a company needs to enter by offering its products for free to better its customer acquisition rates.

**4) Economies of Scale** – Uber and Ola became such big brands within a matter of few years because of the Economies of scale. Facebook and WhatsApp too used the same medium – Internet, to become very big in a very small time. Although it is difficult to establish the same economies of scale when physical movement of goods is involved, but the same needs to be considered to determine an attractive market segment. How much more can you expand? Or are you entering a very niche market segment where economies of scale will not make a huge difference?

**5) Risk** – Financial industries have a very well bifurcated segmentation policy. Some of their financial instruments target high risk and high return type of customers whereas other instruments target low risk and low return type of customers. So that even if the high risk customers lose, the low risk customers maintain the stability of the financial company. Understanding the amount of risk associated with your market segment is important before choosing a market segment.

To choose a market segment is to choose the right life partner for your business. Because if you chose the right life partner, your life will only have prosperity and happiness. Same goes for the market segment. A correct market segment will bring prosperity to your business and help you automatically grow your business thereby leading to success.

## SELF- CHECK OF UNIT ONE

### I. CHOOSE THE BEST ANSWER FROM THE GIVEN ALTERNATIVE

1. One of the following is not the criteria for market segment  
A. Geographic B. Behavioural C. Demographical D. Life Style
- 2 Which one of the following is the variable of geographic?  
. A Country B City C Density D. Climatic zone D. All
- 3 Which one of the following is not variable of demographic criteria  
A Income B Occupation C. Religion D. Loyalty status
4. Some common member of segment descriptors are  
A Lifestyle B Loyalty C. Demographic D. All

### II. GIVE SHORT ANSWER FOR THE FOLLOWING QUESTION

5. Explain how you can access information about market segmentation ?
6. List the sources of information for segmenting and profiling

## UNIT TWO IDENTIFYING THE TARGET MARKET

The learning guide Advice on resource requirements is developed to provide you the necessary information regarding the following content coverage and topics are:

- Evaluating approaches for total market
- Selecting the target market.
- Using segment descriptors
- Identifying target market strategies.

Applying new segmentation The above Learning guide will also assist you to attain the following specific objectives. Specifically, upon completion of this Learning outcome you will be able to:

- Evaluate to determining and describing the total market
- Select the target market to define in terms of the consumers.
- Use Segment descriptors to describe the target market
- Identify available target market strategic marketing

### 2.1. Evaluating approaches for total market

#### 2.1.1 Marketing approach

A total market approach is a lens or process that can be applied to develop strategies that increase access to priority health products in a sustainable manner. This approach helps grow the market for health products by better targeting free or subsidized products, reducing inefficiencies and overlaps, and creating room for the private sector to increase its provision of health commodities.

Total market strategies work best in mature health markets with greater prevalence and use of priority health products such as condoms, contraceptives, oral rehydration salts, zinc, and insecticide-treated bed nets. In less developed markets, a total market approach framework can still be used to help segment the marketplace, identify which populations should receive subsidized and free health products, and ensure a role for the private sector over the long run.

Although the term “total market approach” is relatively new, stakeholders have been using similar concepts to transition their programs off of public and donor subsidies for many years.

The market approach is a valuation method used to determine the appraisal value of a business, intangible asset, business ownership interest, or security by considering the market prices of comparable assets or businesses that have been sold recently or those that are still available. Price-related indicators like sales, book values, and price-to-earnings are usually utilized.

### **Market Approach Methods**

There are a number of valuation methods that may be used by a valuation analyst under the market approach. The methods are named according to the source of known values that are used as guidelines. The two main valuation methods that are used under the market approach are:

#### **1. Public Company Comparable**

The Public Company Comparables Method entails using valuation metrics from companies that have been traded publicly, which are considered to be rightly similar to the subject entity. In most situations, direct comparability is hard to attain since a majority of public companies are not only larger but also more dissimilar to the subject.

Nonetheless, the direct comparability threshold should be a little flexible so that public companies that have comparable business features are not excluded from giving guidance on the subject company’s valuation.

Direct comparability can be readily achieved in comparatively few industries. Most of them are faced with challenges of scalar differences existing between most private enterprises and public operators. The process of selecting, adjusting, and applying public company valuation data is usually complex and needs significant experience and appraiser skill.

Guideline companies are usually companies that have been traded publicly in a similar or equivalent industry as the subject company. They should also have a practical basis for comparison to the subject of evaluation because of resemblances in demand and supply factors, operational processes, and financial composition.

#### **2. Precedent Transactions**

The Precedent Transactions Method involves deriving value using pricing multiples that are based on observed transactions of companies in the industry of the subject company. It is based

on the perception that comprehensive company financial data is not easily available, but there is an availability of transaction value.

Precedent transactions can be analyzed through conventional industry classification methods, like SIC codes. Furthermore, there are also valuation databases that can be examined for evidence of historical actuals and valuation. Such transactions may represent a majority or a minority perspective. A good guideline transaction should be from a very comparable company in the same industry. In cases where there is no direct comparability, other data can be used but not before considering such things as their market or products.

The use of the Transaction Method can be valuable in cases where a purchase or sale is under consideration or as an exit strategy for the management of the company. One weakness though is that some transactions may have happened in significantly diverse markets or industry conditions and therefore may not represent the prevailing acquisition and merger environment. Moreover, a major challenge in finding out if a transaction is suitable enough to be used as comparable data is the lack of information in the public spectrum or in research databases.

In both market valuation methods discussed above, the key is searching for companies that are sufficiently comparable to the subject company under valuation. When trying to find out whether a company is comparable enough to be used in determining the value of the other company, the appraiser should consider a number of factors such as:

- Whether the companies are operating in the same industry
- Whether they are similar in size
- Whether they offer identical services or products
- Whether any of the companies are operating in multiple industries
- The location of the companies
- Whether they are in competition for the same business
- Whether they have similar profits

### **Advantages and Disadvantages of the Market Approach**

All methods under the Market Approach come with their own advantages and disadvantages. However, as a whole, the Market Approach offers the following benefits and weaknesses:

#### **Advantages**

- It is straightforward and involves simple calculations.
- It uses data that is real and public.

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- It is not dependent on subjective forecasts.

### Disadvantages

- It is difficult to identify transactions or companies that are comparable. There is usually a lack of a sufficient number of comparable companies or transactions.
- It is less flexible compared to other methods.
- The method raises questions on how much data is available and how good the data is.

### Key Uses of the Market Approach

Determining the value of your business using the market approach is particularly suitable in the following situations:

1. When you want to set the offer price or asking price for a business purchase.
2. When there is a need for you to defend the valuation of your business before the tax authorities or in a legal dispute.
3. When you want to justify the value of your business when there is a dispute such as a buyout or partner disagreements.

### 2.1.2 Evaluating Total marketing

If you're thinking of starting a new business or expanding an existing business into a new market, it pays to do some research before you leap.

The *10 Ways to Evaluate a Market* provide a back-of-the-napkin method you can use to identify the attractiveness of any potential market. Rate each of the 10 factors below on a scale of 0 to 10, where zero is extremely unattractive and 10 is extremely attractive. When in doubt, be conservative in your estimate:

1. Urgency — how badly do people want or need this right now? (Renting an old movie is typically low urgency; seeing a new picture on opening night is high urgency, since it only happens once.)
2. Market Size — How many people are actively purchasing things like this? (The market for underwater basket weaving courses is very small; the market for cancer cures is massive.)
3. Pricing Potential — what is the highest average price a purchaser would be willing to spend for a solution? (Lollipops sell for \$0.05; aircraft carriers sell for billions.)

4. Cost of Customer Acquisition — how easy is it to acquire a new customer? On average, how much will it cost to generate a sale, both in money and effort? (Restaurants built on interstate highways spend little to bring in new customers. Government contractors can spend millions landing procurement deals.)
5. Cost of Value-Delivery — how much would it cost to create and deliver the value offered, both in money and effort? (Delivering files via the Internet is almost free; inventing a product and building a factory costs millions.)
6. Uniqueness of Offer — how unique is your offer versus competing offerings in the market, and how easy is it for potential competitors to copy you? (There are many hair salons, but very few companies that offer private space travel.)
7. Speed to Market — how quickly can you create something to sell? (You can offer to mow a neighbor’s lawn in minutes; opening a bank can take years.)
8. Up-Front Investment — how much will you have to invest before you’re ready to sell? (To be a housekeeper, all you need is a set of inexpensive cleaning products. To mine for gold, you need millions to purchase land and excavating equipment.)
9. Up-Sell Potential — are there related secondary offers that you could also present to purchasing customers? (Customers who purchase razors need shaving cream and extra blades as well; buy a Frisbee, and you won’t need another unless you lose it.)
10. Evergreen Potential — once the initial offer has been created, how much additional work will you have to put into it in order to continue selling? (Business consulting requires ongoing work to get paid; a book can be produced once, then sold over and over as-is.)

When you’re done with your assessment, add up the score. If the score is 50 or below, move onto another idea—there are better places to invest your energy and resources. If the score is 75 or above, you have a very promising idea—full speed ahead.

Anything between 50 and 75 has the potential to pay the bills, but won’t be a home run without a huge investment of energy and resources, so plan accordingly.

## 2.2. Selecting the target market

### 2.2.1 Identify customer characteristics

Identify consumer characteristics in standard statistical terms and/or descriptive terms used in media selection in consumer profile The consumer characteristics include the following:

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- Age, ethnicity, sex
- Personal traits and attitude toward the product/service
- Relationships
- Income and their capability to buy the product/service that we offered
- How to approach the customers

How are media and advertising audiences similar, and how can organizations capitalize on these similarities? Public relations and advertising are similar in concept: both are designed to raise awareness of a company or product in a positive manner. Another similarity is that in both cases the company will often target its message toward a particular audience. This could be people living in a particular location; people of a particular age, gender or social background; or people with particular interests or hobbies

A customer profile is a document that includes psychographic, demographic and geographical characteristics, as well as problem points, interests, purchasing patterns and social media preferences of a company's customers. The demographic descriptor helps to categorize customers based on their age, income, education level and basic information. This way, we will be able to know which customers of which age group or income range, for example, we wanted to reach for our product / service

### 2.2.2. Customer profile

Consumer profile is characteristics or variables that identify consumers. They can be psychographic or demographic variables. Examples are age, gender, education, marital status, occupation, area of residence, social class, and buying behavior.

Consumer profiling helps businesses to find out more about their consumers, who they are, what they buy, and where they buy it. With this understanding, companies can design the right marketing mix.

- **Importance of consumer profile**

Businesses should create consumer profile to identify and measure the habits and characteristics of consumers in the target market. Most marketing strategies fail because they don't focus on anyone and try to attract everyone. As a result, companies sell products that customers do not need.

Knowledge of profiles is the basis in market segmentation. With the right segmentation, businesses can match their products and services to the needs of consumers, thereby supporting the success of marketing strategies.

The profiles are also crucial in creating an effective advertising campaign. A successful ad must appeal to a targeted audience with particular profiles. Advertisers can set a series of messages precisely to inform, remind customers and, of course, persuade them to buy.

### 2.2.3. Product or Service prospective

A prospective customer, or prospect, is a person or organization interested in making a purchase, with financial resources required, and the power to make purchasing decisions.

- **Target customer prospective**

Targeting prospective clients is nothing to sneeze at. At least 50% of prospects turn out to be a bad fit for companies. Put differently, businesses waste tons of resources that won't yield happy customers. To save time and money, start with researching which prospects can become your best clients. Here are three techniques that will help you.

#### A. Get to know your customers

Your clientele's experience with your product is key to generate prospects. Start with composing a list of your key customers and find what they have in common. Maybe they work in the same industry, have similar financial indicators or needs. Look for these features in your prospective customers.

Another way is to ask your customer service and support teams about your clientele. Talking to clients every day, customer service specialists know who your customers are, how they use your product, and what makes them happy.

Finally, survey your best customers about your product. What do they like the most? What features are the most useful? What would they change about your product? These answers can shed some light on how you can effectively reach new prospects with the same needs.

#### B. Research your competitors' audiences

People that love your competitors' product could easily fall in love with yours too. Find out who they are — browse through competitors' social media accounts, research their content, comments, and followers' profiles.

Look at your competitors’ promotional content. What advantages does it highlight? Knowing what their customers like about the product gives you clues to things customers value that you can implement. Pay attention to social proof as well — it shows typical buyers, problems they face, and ways your competitors solve them.

Finally, pretend to be a potential customer too, test your competitors’ selling process, and learn from it. How do sales representatives communicate with prospects? What channels do they use? What questions do they ask and what features do they highlight?

### C. Set qualifying criteria

Create a list of criteria to estimate if your prospects are effort-worthy. If you work in the B2B sector, hallmarks may be the company's budget, industry, the market they operate in, and more.

Include financial indicators, such as revenue or company growth. Businesses without financial problems probably have more interest in investing their money. Use company profiling resources — D&B Hoovers, Tech Crunch, Venture Deal, or Crunch Base — to track their growth.

If you work in the B2C sector, create a buyer persona. Ask yourself about your ideal customer’s occupation, marital status, geography, income, pain points, and interests. The answers can be both speculative and empirical.

These techniques will help you save time and effort by picking the most promising prospects. After applying them to your sales strategy you can convert prospects into happy clients in short order.

## 2.3. Using segment descriptors

Market description– describes the targeted segments in detail and provides context for the marketing strategies and detailed action programs.

The more details you get, the better will be your result. A market description can be broken down in the following way:

**Demographics:** It includes the demographic features of your market such as age, race, gender, family structure, educational level, occupation, and income level. Companies do online research by considering Census and other numbers for adding specific figures here.

**Geographical location:** You should consider where the target markets live. Are they in the suburbs or cities, a specific state, city, or region? You can enrich this portion by adding detailed statistics regarding the number of probable customers in a rural community or geographic market

or can be all of the mentioned above. Is the service or product available only to the individuals living in a specific state, region, or city?

**Psychographics:** Here you will describe the personality traits or psychology of your market, like what are their initial attitudes and beliefs? What do they require more? Understanding your customers from a psychographic viewpoint will be definitely fruitful because here you begin finding out the way to best market your concept.

**Consumer Nature:** You should understand the nature or characteristics of the consumers such as how does the target market purchase or use services or products? Do they shop physically or online? Are they concerned about brand loyalty? How often do they shop for the services or products you are offering?

**Market Needs:** Finally, the market description needs to clearly mention WHY the target market needs the service or product you have decided to sell. Here you can clearly figure out a need among your potential customer, a gap in the present business climate, and describe how your idea or product will meet that need among the target market.

Identifying and describing your target market is essential to effectively market your company's products or services. A well-defined target market enables you to create better targeted marketing messages designed to appeal to your specific audience. The better you define and describe your target audience, the better you can craft marketing that appeal to the audience's characteristics and lifestyle, which makes them more likely to become customers.

**To identify and describe follow the following steps**

**Step 1:-**Determine the basic demographic information for your target market. Pinpoint what categories of people are most likely to buy your product based on the following criteria: age, gender, income level, marital status, family size, occupation and ethnic background.

**Step 2:-**Determine the psychographic information for your target market. Itemize what personality traits, interests or hobbies your audience has. When determining these characteristics, remember that your product or service should fit seamlessly into your target's lifestyle.

**Step 3:-**Itemize the benefits of all your products or services. Determine the needs that your product or service fulfills. Use this information to develop a list of needs and wants your target audience has.

**Step 4:-**Survey your existing customer base or research the customers of your competition to develop insight into how your audience finds out about products or services similar to yours and

what motivates purchase decisions. Use information from research companies such as Pew or Scarborough to gain insight into additional characteristics of your target

**Step 5:-** Compile a cohesive customer profile of your target audience, which should clearly describe demographic and psychographic data and information on what motivates or influences buying behavior in your targeted segment.

## 2.4. Identifying target market strategies

Evaluating and examining different market segments serves the purpose of identifying the best available position for our business. This evaluation ultimately results in selecting one or more segments of the market and entering them. Target marketing strategy is really about determining the overall direction of the business and the efforts that are going to be made in the future. There are several strategies for target marketing, four of which are more common than others. In the following part, we will take a look at these four strategies and how to use them.

**There are 4 types target market strategies**

**The first target marketing strategy: Integrated (undifferentiated) Marketing**

This target marketing strategy is applied when customers do not differ much in terms of characteristics and behavior. In this case, the costs to be spent on market segmentation and the use of different methods will outweigh the benefits and profit increase. In this situation, the best solution is to consider a strategy for the whole market and imagine the whole market to be integrated without any segmentation.

In fact, integrated marketing is the default strategy of any company. Moreover, companies that have not yet found their customers or whose target market does not have much information about their product or service are forced to use this strategy. Therefore, through integrated strategy, the market is considered to be homogeneous with customers having similar needs and tastes.

Of course, in many cases, an integrated market targeting strategy is not a good option. In today's world, fewer industries and markets remain intact; as a result, presence in any industry will be accompanied by competition. In a competitive environment, this strategy can lead to the loss of different groups of customers because other companies have better understood their needs through offering them more specialized products and services, and your products and services cannot meet the needs of those specific groups.

### **The second target marketing strategy: Multi-segment targeting**

When an industry is present in the market long enough, that market is gradually divided. That is, customers who were unanimous in the past, having the same opinions and tastes, slowly change direction and determine the characteristics of the product or service they need and want. through market segmentation, market targeting strategy must also change and design a different product or service for each audience. Typically, a company is not able to respond to all the groups in the market. Therefore, it has to select several segments of the customers and proceed according to their needs and wants. That’s why companies create different brands.

It should be noted that the selected groups are naturally selected taking into account various issues including the ability and potential of the company to compete in that sector. Market segmentation can ultimately lead to increased sales volume, greater market share and higher profitability. However, this achievement is accomplished only when the company designs its services and products better and understands the customer’s needs more carefully.

One of the consequences of incorrect implementation of this strategy is the overlap of goods and services. Sometimes, when a product is sold more than others, a decrease in the sale of other products can be noticed; in fact, the audience of the two products or services may overlap. In this case, the cost and time will be wasted due to the overlap of the company’s services and products.

### **The third strategy: Focused targeting**

Sometimes, different segments of the market, and in fact the target audience, are somewhat similar. This, however, does not mean that the company needs to cover all of this range of customers. Some of these groups have more potential and others are less interested in business output. More importantly, the needs of some groups are in line with the company’s goals or strengths while others are in the opposite direction. For this reason, the company may decide to focus on a few more important and profitable segments and leave out the rest of the customer base. In contrast, in this strategy, customers and their needs are better understood and their exclusively suitable products and services are developed.

This target marketing strategy has been developed over the years of experience of large companies. After years of working and experiencing different strategies, some companies have found that the benefits of focusing on a small range and selecting an audience far outweigh the benefits of targeting a large range of customers and competing with a host of competing

companies. The benefits of this strategy include limited resources and costs, as well as a greater focus on research and development.

Large companies are usually not interested in choosing this strategy. Targeting small groups is difficult for many companies. This provides the space for companies to grow with a focused market strategy. Of course, this strategy also has risks. For example, if larger companies decide to cover that part of the market for any reason, the competition will be very difficult. After a company's significant success in a focused market, the attention of larger companies is drawn, and such conditions may be created.

Another problem with this strategy is the lack of capital diversification. It is clear that a company with a focused target market will use all its efforts, costs and capital in the same market, and if for any reason this market changes or shrinks, the company will face problems. The last and perhaps most important problem of this strategy is the significant reduction in flexibility. A company that starts serving a small range of customers in a particular industry and in a particular field cannot easily migrate to other segments of the market, even if it wishes to. The longer a company stays in one market segment, the harder it is to leave that segment or enter other segments. For this reason, companies that have followed this strategy at the beginning but intend to leave this strategy in the future should occasionally leave their favorite sector deliberately and work a little in other sectors so that they are empowered to face the future changes.

**The fourth strategy target marketing strategy: Customized marketing**

In some markets, each customer's needs are different, and the difference is so great that it is difficult to make a specific product with common features. These customers usually have high purchasing power in addition to their specific requests and needs, and this makes the goal of focusing on the needs of this group cost-effective. For example, advertising, research, analytics, architecture and design institutes follow the same strategy because the requests of each of their customers are different from others.

In this case, the company is usually in direct contact with the customer because the high value of each order justifies the company's high attention to each customer and his needs.



Figure 2.1 Types of target market strategy

## SELF- CHECK OF UNIT TWO

### I. CHOOSE THE BEST ANSWER FROM THE GIVEN ALTERNATIVE

1. ----- is the process that can be applied to develop strategy that increase access to priority to health product in suitable manner.  
A. market approach    B. Behavioural    C. Demographical    D. Life Style
- 2 Which one of the following is the valuation methods of market approach?  
. A Public company Comparable    B Precedent transactions    C A&B    D. None
3. ----- is a document that include psychographic, demographic and geographic characteristic  
A Customer profile    B Consumer    C. Company    D. Marketing approach
4. ----- is a person or organization interested in making a purchase, with financial resources required, and the power to make purchasing decisions.  
A Prospective customer    B Customer profile    C. Marketing approach    D. All

### II. GIVE SHORT ANSWER FOR THE FOLLOWING QUESTION

5. Explain the factors use for evaluation of total marketing?
6. Write the advantage and disadvantages of the market approach

## UNIT THREE: PROFILE THE TARGET AUDIENCE

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Describing market segments
- Using consumer standard
- Using demographic and psychographic descriptions market plan
- Describing consumer attitudes
- Ensuring Profile organizational requirement

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Describing market segments
- Using consumer standard
- Using demographic and psychographic descriptions market plan
- Describe consumer attitudes

Ensure organizational Profile

### 3.1. Describing market segments

The term market segment refers to people who are grouped together for marketing purposes. Market segments are part of a larger market, often lumping individuals together based on one or more similar characteristics. Corporations and their marketing teams use various criteria to develop a target market for their products and services. Marketing professionals approach each segment differently, but only after they fully understand the needs, lifestyles, demographics, and personality of the target consumer.

Market segments are known to respond somewhat predictably to a marketing strategy, plan, or promotion. This is why marketers use segmentation when deciding on a target market. As its name suggests, market segmentation is the process of separating a market into sub-groups, in which its members share common characteristics. To meet the most basic criteria of a market segment, three characteristics must be present:

- There must be homogeneity among the common needs of the segment

- There needs to be a distinction that makes the segment unique from other groups
- The presence of a common reaction or a similar and somewhat predictable response to marketing is required

Common characteristics of a market segment include interests, lifestyle, age, gender, etc. Common examples of market segmentation include geographic, demographic, psychographic, and behavioral.

In marketing, different strategies are used to reach an audience. When a new product is developed, the main goal focuses on entering into a market. A **market** refers to the individuals with wants or needs that relate to the product and who are able to purchase the product. Businesses need to conduct research to determine who is identified in these markets. A market profile refers to a set of characteristics or attributes relating to a target population; in business, a market profile refers to a target group of buyers. A market profile typically includes demographic, psychographic, and geographic factors.

As marketers conduct research about their message or product, they develop a goal to reach a target market. A target market refers to the group of consumers that are the focus since they are believed to have more interest in the product being offered. Based on the product features and research conducted, the target market includes the individuals who are more likely to purchase the product. It is based on the individuals whose needs match the features offered by the product. Factors such as age, income level, and location can play a role in the target market that is identified specifically for the product.

An important part of creating impactful marketing and branding is to understand your audience. Although it's important to appeal to people of many backgrounds, understanding who is most likely to buy your product can help you create a more tailored experience for this population. To do this, you need to understand what a target audience is. Then, you can learn how to appeal to a specific segment of ideal, interested buyers by finding out that they are and what they need.

### **Target audience definition**

The definition for a target audience is the demographic of consumers who are most likely to buy or be interested in your products or services. This is the group of people your company should direct specific advertisements or messages to. When identifying your target audience, you should

examine a range of angles and distinctive characteristics in people. For example, consider the following demographics as a starting point:

- Age
- Gender
- Location
- Occupation
- Marital status
- Income level
- Education level
- Hobbies
- Personal fears and desires

These are just broad and mostly generic audience variations that you can start with. Inside each group or across multiple broader categories, you can and should look for specific and sometimes very unique combinations of audience factors. Finding these will let you define the ideal blend of personal or professional characteristics and human interests that you can use for your target audience marketing.

### 3.2 Using consumer standard

Consumer standards are documents describing acceptable characteristics or usage for products, materials and services used by individual consumers. They may specify dimensional, performance or safety requirements for household products.

Your marketing will pay greater dividends if you take a precise approach, with a high-quality list of prospective customers or leads. This will prove a more productive use of your marketing budget than an untargeted, blanket approach to generating sales. Concentrating on high-quality leads, based on your understanding and profiles of your prospective customers and their needs, will give you a much better opportunity to convert them into sales. Your list of prospective customers will only be of real use in your marketing campaign if it precisely reflects the profile of your target audience. Ask yourself the following questions:

- Have the consumers of your product or service been identified, for example, their geographic and demographic profile, their employment status, profession, special interests and membership of clubs?
- Have you compiled a list of your prospective business customers in terms of where they are located, their size, the name of the main buyer and repeat purchase rate?
- Have you identified the best sales channels to enable you to reach these target customers?

- Have these prospects opted into a list, giving their permission to receive marketing messages about products in which they have expressed an interest?

### 3.3 Using demographic and psychographic descriptions market plan

#### A. Demographic segmentation

The most common type of segmentation; Demographic factors are the most popular bases for segmenting consumer groups. The reasons for popularity are that consumer needs and wants are closely related to demographic variables and they are easier to measure than other types of variables. The most common demographic variables include age, gender, family size, lifecycle, income, occupation, education, religion, race, generation and nationality.

- Age and life cycle segmentation is dividing a market into different age and lifecycle groups.
- Gender segmentation is dividing a market into different segments based on gender
- Income segmentation is dividing a market into different income

#### B. Psychographic segmentation

Dividing a market into different segments based on social class, lifestyle or personality characteristics. Marketers will be segmented based on attitude of consumers towards the use of the product. Marketers engaged in Psychographic segmentation which involves examining attribute related to how a person thinks, feels, and behaves. People may be in the same demographic group but have different psychographic characteristics.

- Life style is the way people is leading their life. We do have achievers, strivers, believers, optimist, and interest opinion.
- Age and life cycle segmentation is dividing a market into different age and lifecycle groups.
- Gender segmentation is dividing a market into different segments based on gender (often used in toiletries, clothing, cosmetics, and magazines).
- Income segmentation is dividing a market into different income segments (clothing, cosmetics, travel, and financial services)..

### 3.4 Describing consumer attitudes

Customer attitudes are a composite of a person's beliefs, feelings, and behavioral intentions toward your business. These attitudes are often formed based on a blend of factors. Particularly influential are an individual's past experiences that play a considerable role in developing and solidifying certain attitudes. We as individuals learn attitudes through experience and interaction with other people. Our attitudes toward a firm and its products as consumers greatly influence the success or failure of the firm's marketing strategy. Attitudes and attitude change are influenced by consumer's personality and lifestyle. Consumers screen information that conflicts with their attitudes. We distort information to make it consistent and selectively retain information that reinforces our attitudes, in other words, brand loyalty. But, there is a difference between attitude and intention to buy (ability to buy).

The old saying goes that attitude is everything. When it comes to consumers, that may be a bit overstated, but it's safe to say attitudes do play a vital role in forming consumer opinions and driving decisions. With that in mind, it's important to be proactive in your efforts to gain a clearer perspective on who your customers are, as well as the attitudes they possess that may help explain their actions and behaviors. Customer attitudes are a composite of a person's beliefs, feelings, and behavioral intentions toward your business. These attitudes are often formed based on a blend of factors. Particularly influential are an individual's past experiences that play a considerable role in developing and solidifying certain attitudes.

Another factor, more specific to your business, is what is often referred to in market research as "self-experiences." Consumers form favorable and unfavorable attitudes towards product and service offerings based on these self-experiences that emerge from trying out a product or service offerings. And those attitudes can evolve as a customer has additional experiences with a product or service, as well as additional interactions with your company after a purchase is made.

Of course, attitudes that are favorable to your company can be a considerable asset. Conversely, unfavorable attitudes present a risk, both with the individual customer and the potential that others share those attitudes -- and may not be hesitant to broadcast their views.

Unfortunately, changing people's attitudes can be a challenge. To do so, often requires a fuller understanding of existing attitudes, perceptions and behaviors so you can take steps to take actions that might initiate a potential attitude shift based on new information or experiences.

Marketers are interested in the beliefs that people have about specific products and services. Beliefs reinforce product and brand images. People act on beliefs. If unfounded customer beliefs deter purchases marketers will want to do a campaign to change them. Unfounded consumer

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beliefs can severely affect the revenue and even the life of hospitality and travel companies.

Among these beliefs might be the following:

- A particular hamburger chain served ground kangaroo meat.
- A particular hotel served as Mafia headquarters.
- A particular airline has poor maintenance.
- A particular country has unhealthy food-handling standards. People have attitudes about almost everything: religion, politics, clothes, music and food

### **consumer behaviors**

While consumer attitudes focus on beliefs, thoughts and feelings, consumer behaviors are, in part, the actions and decisions that result from those attitudes; Consumer behavior is the way people choose and use your products and services – in essence how people act and behave throughout the entire lifecycle of your product—from first becoming aware of the product, to evaluating its qualities, to purchase, use, and ultimately disposal of that product. More specifically, along this journey consumer behaviors encompasses patterns of:

- **Purchase behavior**, such as when a person shops and how they pay for their purchase
- **Product usage**, such as how often the customer uses your product and if they’re satisfied with their purchase
- **Product disposal**, such as how long a customer holds onto your product and whether or not they resell it when they’re done

A consumer behavior study delves into the thoughts, actions and habits that drive every stage of the customer journey – answering the why and how people buy and use your product with the goal of maintaining high customer satisfaction as well as attracting new customers with similar behaviors

### **Type’s attitudes**

Market researchers aim to measure when trying to get a more in-depth perspective on customers. Here are a few of the most common metrics to explore through your market research and customer experience efforts to measure customer attitudes:

### **Overall satisfaction**

Overall satisfaction is a measure of how happy and satisfied a customer is with a company’s products and services. Overall satisfaction is often captured via surveys after a product is purchased or a service provided. Getting good insight on overall satisfaction offers steady feedback on how you are performing in your customers’ view. It can also have a ripple effect – satisfied customers are likely to say good things about your company online and via word of

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mouth, and are more likely to be loyal and repeat customers. Of course, the ripple flows both ways – if your customers are not satisfied, they will likely make their voices heard in the form of poor online reviews and comments and seeking out competitor brands to do business with.

### **Product and factor level satisfaction**

While overall satisfaction focuses on the big picture, product and factor level satisfaction takes a more targeted look at customer satisfaction as it relates to a specific product, and the factors that influence a buying decision. Companies often aim to gauge product satisfaction shortly after a customer makes a purchase by following up with a quick survey that asks them to rate their initial satisfaction levels with the product. Responses to these surveys can be compiled to generate relevant high-level data about how the product is being received by your pool of customers who made the purchase. On a more granular level, surveys also offer the opportunity to quickly address any significant issues or problems with an individual product to help ensure a positive customer experience.

A range of factors can influence a consumer’s attitude about a product purchase, including product quality, price, service, and product features, as well as less tangible factors such as emotion or perception of fairness. Having a steady awareness of these factors, and the role they play in customer satisfaction and attitudes, can help add valuable perspective to your customer experience efforts.

### **Importance vs. satisfaction**

Understanding importance versus satisfaction is key to making sure you meet and exceed your customers’ expectations so that you can focus your time and resources on priorities that drive ever-improving customer experience.

To achieve this it is key to consider “importance versus satisfaction” to make sure you are not putting time and attention into things that *aren’t* important to your customers and that your focus is on satisfying customers with the things that *are* important.

A common way to approach the importance versus satisfaction issue to create a survey that contains two parallel sets of questions that ask customers to indicate the importance of certain features/services with how satisfied they are with those products and services.

For instance, if you want to get feedback from customers about an in-home service call you could ask parallel questions of importance and satisfaction, with the importance choices being:

- Very important
- Important
- Not very important

- Not important at all

It's typically best practice to lead with the importance question first so that survey respondents have that perspective before rating the quality of the service call. So in this example you may lead with a question such as "How important to you is it that the technician arrives at the scheduled appointment time?"

If the majority of respondents choose "very important" then their satisfaction scores should carry more weight than that of a question focused on something that the majority of respondents answered were not very important or not important at all

And if you find that the satisfaction scores related to arrival time are low, then you have a clear direction that a key focus for your organization is to make sure that all the factors that go into a technician arriving at the front door on time are considered and modified to ensure that customer need is consistently being met.

Not only does this insight help you prioritize, it also provides direction regarding what to focus on in future surveys to make sure you are asking customers about the things that matter most to them and not wasting their time – or yours – on things that don't.

The bottom line – if it's important to your customers, it best be important to you.

### **Brand perceptions**

Companies spend a huge amount of time and money focused on building their brand – and with good reason. Brand perception is the sum of the feelings a consumer has about your company. If those feelings are good – and shared by many (think Apple), then you've earned one of the most valuable assets a company can have. Conversely, poor brand perceptions can have a negative ripple effect through every aspect of your business and can be difficult to reverse (think We Work).

The thoughts and feelings associated with brand perceptions initiate when a consumer first becomes aware of the brand, and that perception gets more defined and solidified as the consumer hears, sees, or interacts with the brand and its product. Brand perceptions can change based on a company's activities and media coverage, social media chatter, and personal experience interacting with the brand.

### **Measuring Brand Perception**

Because of its outsized importance to any organization, monitoring and measuring brand perceptions should occur on an ongoing basis. Some effective ways to monitor brand perception is by setting up Google alerts to track online mentions; reading and responding to online reviews; social listening, which entails monitoring social media comments, hash tags, and other mentions;

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and measuring metrics for pay-per-click brand search.

When it comes to proactively measuring brand perceptions, market research can employ a range of tactics such as focus groups, conducting a brand audit, and conducting surveys that capture attitudes and perceptions not only about specific products and services, but also how they view your brand.

Brand perception is a critical part of your company’s marketing effectiveness, and ultimately its overall success. Getting a handle on brand perception, and putting your resources into knowing how to leverage or act on the feedback you gather and receive, will help your company better plan its marketing campaigns and other aspects of the business.

### **3.5. Ensuring Profile organizational requirement**

The goal of any organization is to be successful—to fulfill its purpose. To achieve this success, an organization requires certain things of its people. Motivation plays an important part in achieving this. The Organizational Profile is the foundation of the Report and arguably its most critical component. This document provides a general overview of the organization, its history, its leadership and strategic plan as well as anything else a potential candidate might be interested in knowing on a broad level. Our consultants work with each client to identify their organization’s core values and create an Organizational Profile that is reflective of both their current state and future goals.

#### **3.5.1 Defined organizational structure**

An organizational structure is the grouping of resources at different levels depending on their responsibilities, power, and position. It helps various departments in a company exchange data, coordinate, and work together to achieve business goals. A company devises an organizational structure to ensure that suitable employees with the right set of skills occupy each position in the company. The OS reveals the accountability and authority of each role. This removes any uncertainty with regard to task performance and reporting and enhances employee productive.

#### **3.5.2 Types of Organizational Structure**

Organizations implement different types of OS depending on the nature of their business, needs of customers, types of products in demand, and services required. Here are some of the popular organizational structures.

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## **Hierarchical**

This is a type of centralized organizational structure. There is a hierarchy of workers with leaders at the top, the workers below, and supervisors placed in between to get the work done. It is more of a linear OS where the delegation of power emanates from the top management; This system concentrates decision-making at the top level. As a result, the organization suffers from a lack of creativity as innovative ideas have to work their way up through various levels of management. Also, each employee communicates with their immediate superior and subordinates only.

## **Flat**

This organizational structure is devoid of any hierarchy. No one commands or controls the employees. Instead, decisions are made at every level of management. Therefore, it is usually used in small companies with few employees or new startups. However, with time and business growth, some form of hierarchy creeps into the organization; otherwise, it may cause chaos and inefficiency in the organization

## **Flatarchy**

It includes features of both hierarchical and flat OS. It is a temporary form of OS that comes into existence only when a new product is created, a new service is being tested, or when a company seeks to develop a new customer support system. By employing flatarchy, an organization can have specialized teams to handle the development of new products or services more creatively and efficiently. It is the best tool for an organization to tackle the change in market or industry sentiments without creating capital-intensive departments or reforming the OS.

## **Functional**

The functional organizational structure creates a fixed set of departments based on certain functions like HR, accounts, marketing, etc. It segregates the workforce based on the requirements of each department. For example, an accounting department Accounting Department .The accounting department looks after preparing financial statements, maintaining a general ledger, paying bills, preparing customer bills, payroll, and more. In other words, they are responsible for managing the overall economic front of the business. the HR department will look after the recruitment, Payroll refers to the overall compensation payable by any organization to its employees on a certain date for a specific period of services they have provided in the entity. This total net pay comprises salary, wages, bonus, commission, deduction, perquisites, and other benefits.

## **Divisional**

This type of organizational structure comes into play when a firm has grown exponentially to

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become a giant in its sector. For example, a giant clothing company will require separate divisions based on customer groups, product types, and geographical locations, Each division will have its own production, marketing, human resource, IT, and sales teams. In this manner, the company could manage the product line refers to the collection of related products that are marketed under a single brand, which may be the flagship brand for the concerned company.

### **Matrix**

Under this organizational structure, there is no clear demarcation of roles and responsibilities of resources. Resources may be shared across different teams to ensure their maximum utilization. It is the least used OS as it is quite complex and confusing and may prove counter-productive. The employees have to play a dual role in this OS. For example, the customer service representative in many banks also acts as their cashier. It may reduce operating costs but badly affects the employee's quality of work and the firm's efficiency. It is a form of decentralized OS.

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**SELF-CHECK (UNIT THREE)**  
**ANSWER THE FOLLOWING QUESTIONS SHORTLY**

1. Why is organizational structure important?
2. What are the different types of organizational structures, and which is the most widely used?
3. What are consumer attitudes?
4. What are consumer behaviors?
5. Differential demographic psychographic segmentation

## UNIT FOUR:- DEVELOPING A POSITIONING STRATEGY

This learning guide is developed to provide you the necessary information regarding the  
Following content coverage and topics:

- Identifying and choosing positioning strategies
- Planning and Implementing positioning plan
- Permitting plan to supervisor

Provide sales support where required This guide will also assist you to attain the learning outcome stated in the cover page. Specifically, upon completion of this Learning Guide, you will be able to:

- Identify available positioning strategies
- Plan and Implement position plan containing several options

Permit Plan to supervisor within specified time lines

### 4.1 Identifying and choosing positioning strategies

#### 4.1.1. Concept of positioning

Firms use positioning to create an image of a brand's product or service in the mind of a target customer. Positioning defines how the brand's offering is unique, how it provides a distinct benefit to customers. Businesses use marketing to communicate their market position to customers and influence their perception of the brand's products or services. Marketing

establishes the brand identity, influencing consumer perceptions of its position in the market relative to the alternatives available from competitors.

A positioning strategy—also known as a market or brand positioning strategy—is a type of marketing strategy that focuses on distinguishing a brand from its competitors. The goal of a positioning strategy is to influence consumer perception by effectively communicating a brand’s competitive advantage.

The concept of positioning rose in popularity in 1969 after the publication of *Positioning: A Battle for Your Mind*, written by Jack Trout and Al Ries.

Before determining its position in the market, a firm should decide on a segment of the market that they want to target. This segment of the market should be profitable either there are many customers, or it is a niche in the market that presents an opportunity due to a lack of competition. This is where positioning comes in. A business must decide how to make their brand as attractive as possible to this group of customers they want to target. This target market defined by demographics such as gender, location and age as well as criteria based on their consumer behavior.

### **Benefits of product positioning**

We’ve prepared the top benefits of product positioning that show why it’s one of the most effective marketing tactics. It helps in:

- Identifying key benefits of a product and matching them with customers’ needs;
- Finding competitive advantage even when the market changes;
- Meeting customers’ expectations;
- Reinforcing your brand’s name and its products;
- Winning customer loyalty;
- Creating an effective promotional strategy;

- Attracting different customers;
- Improving competitive strength;
- Launching new products;
- Presenting new features of existing products.

### **Product positioning strategies**

Since all marketing strategies are built on segmentation, targeting and positioning, every company must decide on what positions it wants to occupy in the segments and target markets that it has already decided on. A company discovers different needs and groups in the market place, targets those needs and groups that it can satisfy in a superior way, and then positions its offering so that the target market recognizes the company's distinctive offering and image.

Positioning is the act of designing the company's offering and image to occupy a distinctive place in the minds of the target customers. It involves inserting the brand's unique benefits and differentiation in customers' minds. The end result of positioning is the successful creation of a customer focused value proposition, a basic reason why the target market should buy the product.

### **Types of Product positioning strategies**

1. Characteristics-based positioning
2. Pricing-based positioning
3. Use or application-based positioning
4. Quality or prestige-based positioning
5. Competitor-based positioning

## 1. Characteristics-based positioning.

Brands give certain characteristics to their products that aim at creating associations. It's done to make consumers choose based on brand image and product characteristics. Let's take the automobile industry, for example. A person who worries about safety will probably choose Volvo because of the brand's positioning. At the same time, another customer who pays attention to reliability would prefer Toyota.

**2. Pricing-based positioning.** This strategy involves associating your company with competitive pricing. Brands often position themselves as those that offer products or services at the lowest price. Let's take supermarkets, for example. They can afford to provide customers with products for lower prices because of the lower costs they pay for shipping and distribution, huge turnover, and a large procurement of goods. As a result, many consumers already know the supermarkets with attractive prices and choose them without considering other options.

**3. Use or application-based positioning.** Companies can also position themselves by associating with a certain use or application. People who adhere to a healthy lifestyle create a great demand for products that help increase performance in the gym. Hence, many businesses offer nutritional supplements. These brands sell supplements that are high in calories, vitamins, and minerals.

**4. Quality or prestige-based positioning.** The brands we are talking about now don't concentrate on their price point; they focus on their prestige or high quality instead. Sometimes, it's the reputation that makes a brand attract customers. Let's take Rolex, for example. This famous watch brand is associated with achievement and excellence in sport and is popular among powerful and wealthy people.

**5. Competitor-based positioning.** The strategy involves using competitors' alternatives to differentiate products and highlight their advantages. It helps brands distinguish their products and show their uniqueness.

The difference is clear now, so it's time to jump to the steps required for successful product

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positioning.

### Steps to product position

1. Define your target audience
2. Identify the key benefits of your product
3. Establish brand credibility
4. Offer a unique value proposition
5. Consider audience segmentation
6. Craft your messaging
7. Do a competitive analysis
8. Demonstrate your expertise
9. Focus on your competitive advantage
10. Maintain your brand's position

The way that customers perceive the brand is crucial since they define your sales volume, the success of the business, and the profits your company will earn. Therefore, we should be ready to present companies products honestly and effectively. To do this, we need to consider the following steps.

1. **Define your target audience.** Knowing your customers' needs, wants, demographics, and interests allows you to give them the product they strive for. This way, you can reach your target audience and motivate them to buy your products. For this purpose, you need to be well-prepared and operate the necessary information.
2. **Identify the key benefits of your product.** Benefits are a top priority for any customer who wants to solve a particular problem. As a business owner, you need to know all the peculiarities of your products or services, including their features and advantages. You need to identify your key perks and communicate them to the masses so that they can consider your product when reviewing several options.
3. **Establish brand credibility.** we need to create a brand that people can rely on to build trusting relationships and encourage your customers to make repeat purchases. Consumers are more inclined to make repeat purchases from companies with a good reputation and high credibility. Remember not to make promises you can't keep and claims that can't be verified. Prioritize honesty and transparency since they will help you build a healthy product positioning strategy.
4. **Offer a unique value proposition.** Communicate the value your product can bring to your target audience. You need to be aware of the fact that consumers won't choose a product if they can't benefit from it. Explore your product, find its benefits, and search for the most appropriate communication channels to convey them to your leads and customers effectively.
5. **Consider audience segmentation.** If you want to obtain the best results, you need to segment your audience since your product can't satisfy all your customers' needs. You can divide them into groups based on their interests, traits, and needs to create customized

messages. As a result, you'll be able to appeal to their individual wants and needs and provide them with your product as a solution.

6. **Craft your messaging.** Once you segment your customers, it's necessary to select the right communication channels for each group. Some of them might prefer social media platforms, but others might use traditional channels like TV and radio. Give some thought to writing a positioning statement (a description of a product, its target audience, and how this product can solve a problem that arises). It will help you prepare personalized and effective messages that speak to the needs and preferences of each group.
7. **Do a competitive analysis.** Once your message is ready, you need to evaluate your competitors' businesses and the products or services they offer. Competitor research gives you a clear understanding of your rivals, their offers, and what makes your product different in a positive way. Afterward, you'll be aware of the distinctive features and benefits your product has, your core values, innovations, and various improvements your company provides consumers with.
8. **Demonstrate your expertise.** Explain to your customers why they should choose you over your competitors. You should also prove that your product is better and that it has several benefits useful for consumers. There are several ways to show the quality of your product or its benefits: testing, trials, demonstrations, etc.
9. **Focus on your competitive advantage.** These are the factors that enable your company to manufacture better or cheaper products and outperform your competitors. You need to speak about the actual benefit your product provides. Customers should truly need this product and obtain its visible value. It also includes staying up-to-date and adapting to new trends and innovations.
10. **Maintain your brand's position.** Once you reach this step, you need to maintain your brand's position so that customers continue buying your products. If you aim to operate this successfully, you should never compromise on quality and increase or reduce prices drastically since it can make customers suspicious.

## 4.2. Planning and Implementing positioning plan

### 4.2.1. Plan for product positioning

A positioning strategy is a strategic marketing plan that helps you determine where your business stands in the market and how it should be positioned to attract more customers. A poorly positioned product will never reach its full potential no matter how well it is marketed, while an excellent positioning strategy can be all that stands between failure and profitability.

A successful positioning strategy can help companies become an authority in their field, distinguish themselves from competitors for better brand recognition, or even create new markets by identifying unmet needs among consumers. More specifically, businesses may use this type of approach when they are going up against established players who have been around longer as well as those with the more incredible distribution channel.

A good brand positioning is one that creates a unique space for the product or service in the mind of the customer. Wrong positioning can kill a brand. It can do this by making the product unattractive to the right audience or by targeting the wrong audience. Tata Nano is a great example of positioning strategy gone wrong. It was positioned as the poor people's car. But who wants to drive a car for poor people? Poor people certainly don't – buying your first car should be an aspirational, joyous experience. And thus a great product was undone by poor marketing.

### 4.2.2. Implement positioning plan

A strong brand position is the foundation of a successful organization. For example, how an organization portrays itself to the market is most commonly determined by its brand personality, brand values and brand promise. These characteristics define how the brand will be perceived.

Brand changes require a significant amount of time. Time and energy are needed to come to a consensus about which characteristics of the organization are most relevant; will fit the best; resonate with employees; and are the most distinctive compared to the competition.

After the brand positioning has been defined, it must be implemented across the organization. This is a much harder task than the development of the positioning. Where do you start? Merely expressing your brand's positioning in your communication is no longer sufficient to

gain trust from your marketplace, employees, and various audiences. A strong brand lives and breathes its positioning, not only in its marketing and communications, but in everything it does.

It is about the characteristics of all the products and services and the experience around the brand at every touch point, in every way. If you want to do this the right way, then it pays to get the whole organization involved and not limit yourself to only involving the marketing communications, or brand management departments.

There are a number of steps that will help you to successfully implement your new brand position across your organization.

### **The Preparation Implement positioning plan**

A successful brand position implementation starts with smart planning and preparation. The positioning is an outline of what the brand stands for. In most cases, it is still too complex and abstract to be immediately applied in all the parts of the organization. Make the brand positioning concrete: what can customers expect from the brand at every brand step this need to be responded. To get prepared for the actual implementation, follow these six steps:

#### **1. Determine the most important contact moments and/or channels**

Start by determining which categories of contact moments or points are the most relevant for your organization. Select a maximum of five. Unsure which channels to select? Find out what your moments of truth are in the customer journey by asking your customers about their experiences. Doing so should help you gather sufficient evidence to choose the best channels. For each of these channels you'll determine (Step 5) what the positioning will mean for the experience in that specific channel.

#### **2. Summarize the brand positioning in concise promises**

A strong brand positioning consists of multiple elements. In most cases we see a brand personality and values, but we also regularly see elements like target groups, essence, promises and benefits. It is important that the positioning is translated into a few concise descriptions that represent the brand. Ideally, these are a focus on, or an explanation of, the central brand promise. Choose a maximum of four in order to be able to create an un-ambiguous view of your organization.

### 3. Examine the gap between promise and proof

The next step is to determine the extent to which the recently formulated promises are being proven. Any gap between promises and proof needs to be examined and closed. Start with collecting this information from internal stakeholders. Select a diverse group of stakeholders who can function as brand ambassadors at a later stage and who can also play an important role in carrying out and improving the brand positioning.

### 4. Map the needs and expectations of customers and prospects

With the input of these brand ambassadors, you'll have a good base to map the experiences, expectations and needs from your customers. How do customers experience the brand at the moment? Is this in line with your promises? And with these promises in mind, what do customers think the brand can bring them? What do they hope for? This information is valuable input to make the brand positioning more specific.

### 4. Determine the ways the positioning is brought to life at the most important contact moments

With your prior research of employees and customers, a large amount of information has already been gathered. Give priority to the best ideas. Incorporate them into a guide for translating the positioning into concrete characteristics of the most important contact moments and/or channels of the organization. With a group of decision-making colleagues who are also involved with the most important contact moments (Step 1), you now can determine how each promise is proven in each channel by identifying global starting points. This can then be specified further in the actual implementation for your various departments and colleagues.

### 5. The Actual Implementation

The positioning affects everyone in the organization, so we recommend implementing it in a cascading fashion: top-down from business units to departments to individual employees. Each department within the organization writes down what the positioning means for their tasks and responsibilities and makes sure the changes are implemented. By letting your colleagues actually work with the positioning and by showing them what it means in their day-to-day activities, they will be understood and accepted within the whole organization.

It is important to remain in control of this cascade, so that you keep the original idea intact. This is an important task for the brand manager and people responsible for important

customer contact moments who are involved from the first phase of the project. They should be available for questions, and to be involved in continued testing to ensure that the ideas generated are in line with the original goals.

### 4.3. Permitting plan to supervisor

A permit plan specifies the tasks that are required to complete permit work. For each task, you can estimate the required labor, craft, materials, services, and tools. You use the permit plan to track tasks while the permit is in progress and to inspect tasks when they are complete. We can extend the scope of the permit plan by adding child permits and work orders. The resulting permit hierarchy facilitates navigation between and management of records that are part of the same work process.

#### 4.3.1. Components of a Successful Work Plan

So, what makes a work plan successful? Here are seven components you should include to ensure that you complete your tasks and finish your project on time:

##### 1. Identify Your Goal

Your very first step in work planning is to identify the goal (or goals) of your project. Are you looking to meet the needs of your customers in a better, more efficient manner? Or, are you looking to scale up to meet the needs of your market? Your goal is the driving force behind your project. Determining what that goal is is vital for being properly prepared, and it will help you to plan every one of your project's steps.

##### 2. Write an Introduction

Your next step is to write an introduction. What you write here helps put your plan into context. It provides an outline that describes why you're working on the project in the first place and why you have your specific goals.

The introduction (or background) should be short and engaging. Be sure to include your reasons for creating the work plan. If anyone forgets what the purpose of the plan is or why you're working on the project, the introduction will serve as a quick reminder.

### 3. Define the SMART Objectives

Your goals and objectives are the things you want to accomplish throughout the duration of your work plan. Goals typically focus on the bigger picture of your project, while objectives are much more specific and tangible. The objectives are the things you can check off or cross out once they're completed.

One of the most helpful ways to define your goals and objectives is by using the SMART concept, where SMART is an acronym with each letter representing different ideas to help you set good goals:

- Specific – What are you looking to accomplish? What actions do you need to take to get there?
- Measurable – How will you measure your objectives? What data will you use?
- Achievable – Are your objectives and goals achievable? Do you have the skills and resources necessary to complete them?
- Relevant – How do the objectives align with the bigger goal of your project? Why are they important?
- Time-bound – When will you complete the objectives? What's your timeframe?

The SMART acronym helps provide clarity for you and everyone on your team. It focuses your attention and resources on what's most important so you can be successful in completing those objectives and goals.

#### 4. List Your Resources

Write down a list of every resource you'll need to achieve your goals and objectives so that you can complete your project successfully. The exact resources you need will depend on your specific project but might include such things as documents, space, consultants (or other professionals), and your budget.

Some questions to ask you during this stage of the work planning process include:

- How much of our budget will go toward this project?
- Where is that money coming from (which department)?
- Do I need any special software tools to streamline and complete this project?

#### 5. Identify Potential Obstacles

As much as you might like to think that nothing will go wrong and everything will go smoothly, even the best made plans experience hiccups. A critical component of work plan creation is to identify any potential obstacles that might stand in the way of your team achieving your goals and objectives and completing the project on time.

The exact obstacles you might face depend on your team and your project. Here are a few for you to consider:

- One or more employees become ill and needs to take a sick day or two.
- Someone experiences a family emergency and needs to leave early before they complete their tasks.
- A computer or other piece of vital equipment might break down, forcing you to pull money from an already tightly stretched budget.

## 6. Assign Accountability

Accountability is necessary to ensure that every task gets completed in a timely fashion. During this stage of work planning, you need to assign team members (or groups of team members) to specific tasks. Make it clear who needs to do what to avoid confusion later on. If something isn't finished on time, you'll know who you need to go to so that you can find out what happened.

## 7. Execute Your Plan

Finally, it's time to look over your plan to make sure everything is in order. If you're satisfied with it, it's time to set it in motion. Project management software can be particularly beneficial here to keep everything organized and accessible to everyone on your team.

Even once your work plan is in motion, don't forget about it. Go back periodically to review your current progress against the original goals and objectives. Tracking your progress will help ensure that you stay on task and don't fall behind. It also allows you to make adjustments more quickly if they're necessary.

### 4.3.2. Permitting plan to supervisor

Permit to Work is a systematic process used to authorize controlled work in nonstandard, potentially hazardous conditions. If you've ever hired a contractor to do work in your home or business, you should be familiar with the concept. The process includes risk assessment, establishment of safety protocol, communication and oversight to minimize Environment, Health, Safety & Sustainability risks

#### Key Elements of Permit to Work Systems

A work permit is a written form providing authorization to carry out jobs that can expose employees to serious hazards and risks. It identifies the work to be done, what the hazards are as well as the preparations and precautions required to get the job done. There are six main

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permits most commonly used: Hot Work Permits, Cold Work Permits, Height Work Permits, Confined Spaces Work Permits, Excavation Work Permits, and Chemical Work Permits.

No matter the industry, a Permit to Work System should include processes to:

- Determine hazardous areas
- Determine types of work considered hazardous
- Identify the scope of work and associated risks
- Designate a person to authorize hazardous work
- Designate work supervisors
- Designate people to conduct the work safely
- Ensure proper training and instruction
- Communicate protocol to on-site or off-site workers daily
- Determine permitted duration of hazardous tasks
- Establish a protocol for Simultaneous Operations
- Monitor and audit Permit to Work systems

### **Supervisory roles at work place**

- Aligning individual performance expectations with organizational goals
- Developing performance goals collaboratively with their direct reports

- Ensuring that performance goals are clearly communicated and current
- Providing fair, constructive, and timely feedback towards performance expectations and goals
- Providing assistance, guidance, and coaching support as needed
- Ensuring that staff have professional development plans in place
- Conducting performance evaluations according to established systems and policies



- B. It enables to reinforcing your brand's name and its products;
  - C. It helps to winning customer\_loyalty;
  - D. It helps to creating an effective promotional strategy
5. The first step for product positioning is \_\_\_\_\_?
- A. Identify the key benefits of your product
  - B. Establish brand credibility
  - C. Define your target audience
  - D. Offer a unique value proposition

**Part 2:- Short Answer questions**

1. List and explain product positioning strategies?
2. List at least six benefits of product positioning?
3. Discuss the permitting plan from supervisor?

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