INTEGRATED MARKETING COMMUNICATION

Class- mba 4th sem.

Marketing Communication

Definition: The Marketing Communication refers to the means adopted by the companies to convey messages about the products and the brands they sell, either directly or indirectly to the customers with the intention to persuade them to purchase.

What is marketing communication mix?

The Marketing Communications Mix is the specific mix of advertising, personal selling, sales promotion, public relations, and direct marketing a company uses to pursue its advertising and marketing objectives.

You are here: Home / Marketing / Marketing Communication Mix: Promote Effectively

Marketing Communication Mix:

Definition of Marketing Communication Mix

A company’s promotional mix that includes advertising, PR, direct marketing, social media, and integrated marketing is called marketing communications mix.

Practices stated above, are the most effective ways to build long-term relationships with your customers and to communicate your brand’s value.

Different Factors of Marketing Communications Mix

Identifying Your Target Audience – The first thing to consider while building your marketing communications mix, is to identify your audience.

To specify, blindly marketing to everyone is dumb and costly. So, you must determine what to communicate, how to communicate and where to communicate.

Communication Objectives – Generally, there are six stages that every customer goes through before deciding, whether to buy or not the product.

These stages are awareness, knowledge, liking, preference, conviction and purchase. Thus, your marketing communication mix must be designed to perfectly fit the requirements and stages of the buyer, and step by step guide them to your favorable stage.
Delivering the Message – Catchy messages aren’t enough to attract and hold the interest of a customer, so making them compelling and persuasive will increase the likeness of your brand and chances of them becoming loyal customers will steadily rise.

Moreover, choosing the right media to communicate with your consumer is essential to increase their sanctification and to avoid any irritations/annoyance.

Promotion Mix – Each organization approaches different marketing strategies that only work for them. Therefore, it’s crucial for you to determine the right marketing communication mix for your business and align yourself with proper marketing tactics.

Promotional Budget – Sure, there are countless of ways to entice customers, but it’s vital to determine the budget that can be spent on promotions. Optimizing your budget according to industry requirements is the key to achieving promotional success.

Elements and Examples of Marketing Communication

Product Placement – It’s quite frequent, but you might not have paid enough attention. TV shows, movies, and TV-series always include products or services that are specially included in the show.

Personal Selling – It’s a constructive way to build consumer relationship and aid them to move from the stage of awareness and doubt to conviction and action.

Your marketing department will need to learn how to listen to the audience and according address their requirements. Moreover, one of the biggest perk personal selling carries is that you get instant sales and feedback.

Direct Marketing – Direct marketing is a highly personalized promotional mix method. It’s mostly focused on specific customers and are approached through emails, social media, messages, etc. Furthermore, direct marketing encompasses consumer interaction.

Advertising – One of the most widely used methods to reach out to a large number of potential customers. Advertising is one of the most expensive methods of marketing communication.

Advertising can be done through TV ads, online ads, email, billboards, print, mobile

Marketing Communication Mix: Promote Effectively
If you’re dead serious about marketing, communicating your organization’s brand positioning and delivering it to your consumers are the fundamentals of the marketing strategy.

Developing the right marketing mix includes the concept of the 4P’s (Place, Promotion, Price and Product) and if your goals is to develop marketing communications, then focusing and coordinating your efforts on promotion is a must.

Generating catchy advertising messages that will interact with your customers and highlight the superiority and uniqueness, and will differentiate your product/service from others, is essential for gaining the upper hand on the market.

It’s important to remember, that while building your marketing communication mix, make sure that you’re able to carry out every promise made, because with false assures it’s impossible to achieve and maintain good brand reputation.

Furthermore, brand authority is built over years, but it can be easily destroyed in seconds, with poor and unethical promotion, and weak customer delivery.

So, marketing communication mix will not only make it easier to connect with your potential consumers but will also come in handy to adapt the ever-changing business environment.

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**MODELS OF MARKETING COMMUNICATION**

**INTRODUCTION**

Marketing communication models are developed based on various studies that explain how communications work in marketing a product. They act as important tools in understanding how communications work in real life marketing situations and for developing a communication strategy. Communication strategy can make or break a brand by creating an image or perception in the minds of customers positively and they may make a purchase. There are the following models of marketing communication namely:

1) **AIDAS MODEL**

2) **DAGMAR MODEL**

3) **HEIGHTENED APPRECIATION MODEL**

4) **ADVERTISING EXPOSURE MODEL**

5) **MODEL OF JOYEE**

6) **LEVIDGE AND STEINER MODEL**

**AIDAS MODEL**

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1) **ATTENTION**: To get the attention of the target customer.
2) **INTEREST**: To create interest in the product by giving product information (or special features) and how it can help satisfy the needs and wants of the individual.
3) **OUTCOME**: Whether the potential buyer develops a favourable or unfavourable opinion about the product.
4) **DESIRE**: Create a desire in the customer to possess the product. This is done by emphasizing the benefits of the product and how it will satisfy the needs and wants.
5) **ACTION:** Demand action from the customer i.e. convince them to make a purchase. A simple method to get action from the customer is to provide a toll free number or contact person for more information.

6) **SATISFACTION:** The customer is satisfied after the purchase.

**EXAMPLE:** Air Deccan used this model of marketing communication successfully in its marketing campaign.

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1) **AWARENESS:** In this stage the customer becomes aware of the product.

2) **COMPREHENSION:** The customer is aware of the product characteristics and its uses. He is also familiar with the brand name and brand logo.

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process of designing tend to feel that their creativity was being stifled. The implementation of DAGMAR is also very costly, as extensive research is required for setting quantitative targets and measuring them.

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**Example:** Traditionally, in India, toothpaste was advertised highlighting two attributes: strength of teeth and prevention of decay of gums (advertising Strategy of Colgate). Hindustan Lever Limited launched two brands of toothpaste—Close Up Pepsodent. The Close Up toothpaste with mouthwash was targeted at youth and focused on freshness. The Pepsodent brand was targeted at kids and the attribute used in advertisements was its ability to fight germs for long periods. These attributes of toothpaste, though important, had never been highlighted or given importance till then. After the launch of Close Up and Pepsodent, the market share of Colgate decreased significantly.
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MODEL OF JOYEE

A new model for marketing communication was suggested by T. Joyee in 1991. The Joyee model concentrates on three areas - advertising, purchasing behaviour and consumer attitudes. It is assumed that there is a continuous cycle of events in the three areas and change in one of the areas affect the other areas. Consumer attitudes refer to the positive or negative feeling of an individual towards a product or service. The attitudes are developed by personal experiences in the past or the experiences of the others. The attitude is a psychographic characteristic and depends on age, gender, social class, regional and cultural too. It is assumed that if the attitude towards a product is favourable, then the person is most likely to buy the product. The advertisement is deemed effective if it is capable of changing the viewer's attitude in the favour of the product advertised. It is not only difficult to change consumer attitudes, but is also time consuming. Market research can identify the drivers for change. Commercial Focusing on the drivers can be conceptualized.

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to study their effect. Stevenson, Burner and Kumar applied the hierarchy of effects model to Web advertisements and found that they too follow the same pattern.

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6) PURCHASE: The customer makes the actual purchase.

EXAMPLE: Hyundai Motors Limited used the model successfully while launching its small car, Santro, in India.

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The DAGMAR model assumes a high-involvement "learn-feel-do" hierarchy. As advertising and marketing goals are deemed distinct, advertising goals can be defined specifically tracked and measured. The long-term effects of the advertisement can also be studied. With the help of the DAGMAR model, the effectiveness of the advertisement can be measured in terms of its ability to move the customer along the hierarchy. The model enabled marketers to define the target market or audience for the commercial. As the advertisement had to be based on the objectives, creative people involved in the process of designing tend to feel that their creativity was being stifled. The implementation of DAGMAR is also very costly, as extensive research is required for setting quantitative targets and measuring them.

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TUESDAY, JULY 15, 2008

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What Is Integrated Marketing Communication?

Integrated Marketing Communications (IMC) is a concept under which a company carefully integrates and coordinates its many communications channels to deliver a clear and consistent message. It aims to ensure the consistency of the message and the complementary use of media.

IMC is an integration of all marketing tools, approaches and resources within a company which maximizes impact on the consumer mind resulting in maximum profit at minimum cost.

It uses several innovative ways to ensure that the customer gets the right message at the right place and right time.

IMC Tools

The eight major Integrated Marketing Communication tools are as follows:-

Advertising
Advertising refers to any paid form of non-personal promotion of products or services by an identified sponsor. The various media used are print (newspapers and magazines), broadcast (radio and television), network (satellite, wireless and telephone), electronic (web page, audio and videotape) and display (billboards, signs and posters). The primary advantage of advertising is that it reaches geographically dispersed consumers. Consumers generally tend to believe that a heavily advertised brand must offer some ‘good value’ but at the same time, advertising proves to be an expensive form of promotion.

Social Media Marketing
The concept of social media marketing basically refers to the process of promoting business or websites through social media channels. Companies manage to get massive attention on such channels and can interact with consumers as and when they are browsing the internet. New and modern ways of communications are developing on these social media platforms and are proving to be the future of promotions. They have the ability to be highly interactive and up to date with the customers.

Mobile Marketing
Mobile marketing involves communicating with the consumer via a mobile device, either to send a simple marketing message, to introduce them to a new participation-based campaign or to allow them to visit a mobile website. Cheaper than traditional means for both the consumer and the marketer, mobile marketing really is a streamlined version of online marketing the use of which is increasing as time progresses. Examples are advertisements that we see on mobile applications.
Sales promotion

It is a variety of short-term incentives to encourage trial or purchase of a product or service. It may include consumer promotions – focused towards the consumer – such as a distribution of free samples, coupons, offers on purchase of higher quantity, discounts and premiums or trade promotions – focused on retailers – such as display and merchandising allowances, volume discounts, pay for performance incentives and incentives to salespeople.

Sales promotion helps to draw the attention of the consumers and offers an invitation to engage in a transaction by giving various types of incentives.
Personal Selling
Face-To-Face interaction with one or more buyers for the purpose of making presentations, answering questions and taking orders. This proves to be the most effective tool in the later stages of the buying process.

The advantage is that the message can be customized to the needs of the buyer and is focused on building a long-term relationship with the buyer.

Public Relations
A variety of programs directed toward improving the relationship between the organisation and the public. Advertising is a one-way communication whereas public
relations is a two-way communication which can monitor feedback and adjust its message for providing maximum benefit. A common tool used here is publicity which capitalizes on the news value of the product or service so that the information can be disseminated to the news media.

Also Read: Different Types Of Advertising Mediums

Articles in the media prove to be more objective than advertisements and enjoy high credibility. Also, it has the ability to reach the hard-to-find consumers who avoid targeted communications.

Direct Marketing
Direct Marketing involves the use of mail, telephone, fax, e-mail, or internet to communicate directly with or solicit response or dialogue from specific customers or prospects. Shoppers have started relying on credit cards and online purchasing more than ever which makes it essential for marketers to approach the consumers directly thus helping them in the purchase process.

Companies have a database of contact details of consumers through which they send catalogues and other marketing material making it easier for the consumer to purchase online. The relevance of direct marketing has increased in recent years.

Events and Experiences
These are company sponsored activities and programs designed to create brand-related interactions with customers. Sponsorships improve the visibility of the company. Companies provide customers with an experience of using the product which ends up leading to a higher brand recall than competitors. These events prove to be engaging with the audience.
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Importance of Integrated Marketing Communication -

Integrated marketing communication plays an integral role in communicating brand message to a larger audience. Integrated Marketing communication helps in integrating all essential components of marketing to communicate similar message to potential and existing end-users.

Integrated marketing communication goes a long way in creating brand awareness among customers at a minimal cost. Integrated marketing communication is essential not only for business to business marketing but also for direct interaction with customers. Organizations implementing integrated marketing communication not only successfully promote their brands among target audience but also develop trust among them who would always stick to their brands, no matter what. Through integrated marketing communication, similar message goes to customers simultaneously, eventually creating a better impact on them. Believe me, the end-user does not even think of buying Brand B, if features and benefits of Brand A are communicated well to the end-users. Integrated marketing communication is more effective as it carefully blends various marketing tools such as advertising, public relations, direct marketing and so on.

Integrated marketing communication scores over traditional ways of marketing as it focuses on not only winning new customers but also maintaining long term healthy relationship with them. Integrated marketing communication ensures two way dialogue with customers - a must in all business. Customer feedbacks need to be monitored well if you wish to survive in the long run. Remember, their feedbacks are valuable and need to be evaluated carefully. Gone are the days when marketers used to rely only on advertising and simple promotions to make their brand popular among end-users. In the current scenario
of cut throat competition, marketers need to promote their brands by effectively integrating relevant marketing tools for better results and increased productivity. Integrated marketing communication plays an essential role in delivering a unified message to end-users through various channels and thus has better chances of attracting customers. A single message goes to customers across all marketing channels be it TV, Radio, Banners, hoardings and so on. Integrated marketing communication ensures the brand (product or service) is an instant hit among end-users. It also develops a sense of attachment and loyalty among end-users.

Marketers do not also have to think really hard as to which marketing tool is really effective in creating brand awareness. **Integrated marketing communication saves time which is often lost in figuring out the best marketing tool.** Through integrated marketing communication, marketers can smartly blend and integrate all marketing tools for better response. In a layman’s language integrated marketing communication provides a wide range of options which help marketers connect easily with their target customers. Integrated marketing communication ensures that the customer gets the right message at the right place and right time. Integrated marketing communication uses several innovative ways to promote brands among customers such as newspaper inserts, hoardings and banners at the most strategic locations, pamphlets, brochures, radio or television advertisements, press releases, discount coupons, loyalty clubs, membership clubs, PR Activities, sales promotional activities, direct marketing initiatives, social networking sites (Facebook, Twitter, Orkut), blogs and so on.

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**6 Steps in the IMC Planning Process**

You might be surprised at just how many businesses and organizations I talk with that do not have an integrated marketing communications (IMC) strategy in place. From B2B to B2C, large to small, an IMC strategy is as essential as a business plan.

There are typically six steps in the IMC planning process. Each are important in their own right and can be applied to practically any business or organization, no matter the size or industry.
While your plan might utilize each marketing communications function differently, the overall idea remains the same.

Below are the major steps to keep in mind when developing your IMC strategy.

Step 1: Know your target audience
As a general rule, there is no “general audience”. You always want to communicate with a specific audience to make the most effective use of your resources.

Segmenting specific audiences into groups based on characteristics will help you identify who are most likely to purchase or utilize your products and services.

Step 2: Develop a situation analysis
Commonly referred to as a SWOT Analysis, this is basically a structured method of evaluating the internal strengths and weaknesses, and external opportunities and threats that can impact your brand.

A situation analysis can provide much insight into both internal and external conditions that can lead to a more effective marketing communications strategy.

Step 3: Determining marketing communication objectives
In this step, you basically want to document what you want to accomplish with your IMC strategy. Objectives should be measurable if you truly want to map your campaign’s effectiveness at the end of your plan’s term.

Step 4: Determining your budget
Having a realistic idea on what you have to work with is important as it will shape the tactics you develop in the next step. Once you determine your overall budget, you will want to come back to this after completing step five to further refine your budget allocations.

Step 5: Strategies and tactics
Looking back at the objectives you created in step three, you will want to develop strategies which are ideas on how you will accomplish those objectives. Tactics are specific actions on how you plan to execute a strategy.

Step 6: Evaluation and measurement
Almost as important as the plan as a whole, you want to outline a method of how you will evaluate the effectiveness of your IMC strategy. Sometimes elements of your plan will not work. It’s important to know what did or didn’t, try to understand why, and make note for future planning.

The more focused on how you will utilize your resources for promoting your business, the more you will understand where your money is going and how it’s performing. An IMC strategy is important for any business or organization.
DAGMAR Model –

DAGMAR Approach: Definition, Advantages, Examples

DAGMAR is a marketing expression that stands for “Defining Advertising Goals for Measured Advertising Results”. It is a marketing tool to compute the results of an advertising campaign. DAGMAR attempts to guide customers through ACCA model. According to this approach, every purchase encounters four steps; Awareness, Comprehension, Conviction, and Action. DAGMAR method is an established technique of creating effective advertising. DAGMAR is an advertising model proposed by Russell Colley in 1961. Russell Colley advocated that effective advertising seeks to communicate rather than to sell. Advertisers discover whether their message conveyed enough information and understanding of a product to their consumers and also its respective benefits from clear objectives.

The DAGMAR Model

1. AWARENESS

Awareness of the existence of a product or a service is needful before the purchase behaviour is expected. The fundamental task of advertising activity is to improve the consumer awareness of the product.

Once the consumer awareness has been provided to the target audience, it should not be forsaken. The target audience tends to get distracted by other competing messages if they are ignored.

Awareness has to be created, developed, refined and maintained according to the characteristics of the market and the scenario of the organization at any given point of time.

The objective is to create awareness about the product amongst the target audience.

2. COMPREHENSION

Awareness on its own is not sufficient to stimulate a purchase. Information and understanding about the product and the organisation are essential. This can be achieved by providing information about the brand features.

Example: In an attempt to persuade people to budge for a new toothpaste brand, it may be necessary to compare the product with other toothpaste brands, and provide an additional usage benefit, such as more effective than other toothpaste because it contains salt or that this particular toothpaste is a vegetarian toothpaste, which will, in turn, attract more customers.

The objective is to provide all the information about the product.
3. CONVICTION

Conviction is the next step where the customer evaluates different products and plans to buy the product. At this stage, a sense of conviction is established, and by creating interests and preferences, customers are convinced that a certain product should be tried at the next purchase.

At this step, the job of the advertising activity is to mould the audience’s beliefs and persuade them to buy it. This is often achieved through messages that convey the superiority of the products over the others by flaunting the rewards or incentives for using the product.

Example: Thumbs up featured the incentive of social acceptance as “grown up”. It implied that those who preferred other soft drinks were kids.

The objective is to create a positive mental disposition to buy a product.

4. ACTION

This is the final step which involves the final purchase of the product. The objective is to motivate the customer to buy the product.

Advantages of DAGMAR Approach

A major contribution of Colley’s DAGMAR approach was a specification of what constitutes a good objective.

According to Russell Colley, there are various advantages of well-founded objectives. These are:

Be concrete and measurable

Have a well-defined target audience or market

Identify the benchmark and the degree of change

Specify a timeframe to accomplish the objective

TARGET AUDIENCE

DAGMAR claims the target audience is well defined. A group of potential customers, who have the highest likelihood of purchasing the product, is the target market. Identifying the target market includes the process of demographic, geographic, and psychological segmentation. Target markets can be segmented into Primary and secondary groups.

Primary markets are the main target audience, on whom the marketing efforts are mainly focused.
Secondary markets are the target audience on whom the marketing efforts will focus after the primary market goals are achieved. After identifying the target audience, the organization devises objectives for advertising and later the objectives for communication.

CONCRETE AND MEASURABLE

The objective of communication should be a precise and clear statement of whatever message the advertiser wants to communicate to the target audience.

The specification must include all the details and descriptions of the measurement procedure.

SPECIFIED TIMEFRAME AND BENCHMARKS

A good objective has a specified time frame, during which the objective is to be achieved. Understanding the specifications enables advertisers to define goals that will yield the best result.

Setting a specific timeframe assures effective evaluation of results. The timeframe should be realistic to prohibit skewed results from static marketing.

Creating the benchmark is essential for an appropriate measurement of the effectiveness of the advertisement.

WRITTEN GOAL

The goal should be committed on a paper. When the goals are clearly written, basic shortfalls and flaws are exposed, it becomes eventually easy to determine whether the goal contains the crucial aspects of the DAGMAR approach.

OBJECTIVES OF DAGMAR APPROACH

Persuade a prospect to visit the showroom.

Growth in market share.

Improve sales turnover.

Perform complete selling function.

Advertise a special reason to buy.

Stimulate impulse sales.

Remind people to buy.
Create awareness about the product and brand existence.

Create favourable emotional disposition towards the product.

Impart information regarding benefits and distinctive features of the product.

Combat and offset competitive claims.

Correct false impressions, wrong information and other hindrances to sales.

Aid sales force with sales promotion and selling activities and boost their morale.

Establish brand recognition and acceptance.

**EXAMPLE OF DAGMAR APPROACH**

Let’s suppose that an ABC company wants to evaluate the effectiveness of marketing campaign for its latest product launched. The company starts evaluating the commercial that is designed to persuade potential consumers through the four stages of the buying process:

**In the AWARENESS stage, company ABC spreads awareness among the consumers about its new product launched in the market.**

**In the COMPREHENSION stage, company ABC portrays to its consumers the features and distinctiveness of the new product and reminds the consumers of the company ABC’s logo and brand name.**

**In the CONVICTION stage, company ABC attaches the consumer emotionally to the new product so that the consumer establishes an emotional preference for the company ABC’s brand.**

**In the ACTION stage, company ABC makes sales.**

Company ABC then evaluates the success of the marketing effort using DAGMAR. The company measures that how fast the customer processed through the four stages of the purchase and how many sales were generated. In cases where the customer is distracted and deviated from buying the product, and the company doesn’t meet sales goals, the company needs to change its ad campaign.

Advertising is strongly associated with economic cycles across major world economies. The DAGMAR method is a long-established method of creating effective advertising. The idea behind the method is to “communicate rather than sell
Market Segmentation – Definition, Bases, Types

Market segmentation is one of the most efficient tools for marketers to cater to their target group. It makes it easier for them to personalize their campaigns, focus on what’s necessary, and to group similar consumers to target a specific audience in a cost-effective manner. Market segmentation is being used by marketers since the late 1900s. Simple though it may be, it is of vital use to forming any marketing plan.

What is Market Segmentation?

Market Segmentation is a process of dividing the market of potential customers into different groups and segments on the basis of certain characteristics. The member of these groups share similar characteristics and usually have one or more than one aspect common among them.

There are many reasons as to why market segmentation is done. One of the major reasons marketers segment market is because they can create a custom marketing mix for each segment and cater them accordingly.

The concept of market segmentation was coined by Wendell R. Smith who in his article “Product Differentiation and Market Segmentation as Alternative Marketing Strategies” observed “many examples of segmentation” in 1956. Present-day market segmentation exists basically to solve one major problem of marketers; more conversions. More conversion is possible through personalized marketing campaigns which require marketers to segment market and draft better product and communication strategies according to the needs of the segment.

Bases of Market Segmentation

Segmenting is dividing a group into subgroups according to some set ‘basis’. These bases range from age, gender, etc. to psychographic factors like attitude, interest, values, etc.

Gender

Gender is one of the most simple yet important bases of market segmentation. The interests, needs and wants of males and females differ at many levels. Thus, marketers focus on different marketing and communication strategies for both. This type of segmentation is usually seen in the case of cosmetics, clothing, and jewellery industry, etc.
Age group

Segmenting market according to the age group of the audience is a great strategy for personalized marketing. Most of the products in the market are not universal to be used by all the age groups. Hence, by segmenting the market according to the target age group, marketers create better marketing and communication strategies and get better conversion rates.

Income

Income decides the purchasing power of the target audience. It is also one of the key factors to decide whether to market the product as a need, want or a luxury. Marketers usually segment the market into three different groups considering their income. These are

High Income Group

Mid Income Group

Low Income Group

This division also varies according to the product, its use, and the area the business is operating in.

Place

The place where the target audience lives affect the buying decision the most. A person living in the mountains will have less or no demand for ice cream than the person living in a desert.

Occupation

Occupation, just like income, influences the purchase decision of the audience. A need for an entrepreneur might be a luxury for a government sector employee. There are even many products which cater to an audience engaged in a specific occupation.

Usage

Product usage also acts as a segmenting basis. A user can be labelled as heavy, medium or light user of a product. The audience can also be segmented on the basis of their awareness of the product.

Lifestyle
Other than physical factors, marketers also segment the market on the basis of lifestyle. Lifestyle includes subsets like marital status, interests, hobbies, religion, values, and other psychographic factors which affect the decision making of an individual.

**Types of Market Segmentation**

**Geographic Segmentation**

Geographic segmentation divides the market on the basis of geography. This type of market segmentation is important for marketers as people belonging to different regions may have different requirements. For example, water might be scarce in some regions which inflates the demand for bottled water but, at the same time, it might be in abundance in other regions where the demand for the same is very less.

People belonging to different regions may have different reasons to use the same product as well. Geographic segmentation helps marketer draft personalized marketing campaigns for everyone.

**Demographic Segmentation**

Demographic segmentation divides the market on the basis of demographic variables like age, gender, marital status, family size, income, religion, race, occupation, nationality, etc. This is one of the most common segmentation practice among marketers. Demographic segmentation is seen almost in every industry like automobiles, beauty products, mobile phones, apparels, etc and is set on a premise that the customers’ buying behaviour is hugely influenced by their demographics.

**Behavioural Segmentation**

The market is also segmented based on audience’s behaviour, usage, preference, choices and decision making. The segments are usually divided based on their knowledge of the product and usage of the product. It is believed that the knowledge of the product and its use affect the buying decision of an individual. The audience can be segmented into –

- Those who know about the product,
- Those who don’t know about the product,
- Ex-users,
- Potential users,
- Current Users,
- First time users, etc.
People can be labelled as brand loyal, brand-neutral, or competitor loyal. They can also be labelled according to their usage. For example, a sports person may prefer an energy drink as elementary (heavy user) and a not so sporty person may buy it just because he likes the taste (light/medium user).

Psychographic Segmentation

Psychographic Segmentation divides the audience on the basis of their personality, lifestyle and attitude. This segmentation process works on a premise that consumer buying behaviour can be influenced by his personality and lifestyle. Personality is the combination of characteristics that form an individual's distinctive character and includes habits, traits, attitude, temperament, etc. Lifestyle is how a person lives his life.

Nature of a market segment

A market segment needs to be homogeneous. There should be something common among the individuals in the segment that the marketer can capitalise on. Marketers also need to check that different segments have different distinguishing features which make them unique. But segmenting requires more than just similar features. Marketers must also ensure that the individuals of the segment respond in a similar way to the stimulus. That is, the segment must have a similar type of reaction to the marketing activities being pitched.

A good market segment is always externally heterogeneous and internally homogeneous.

Examples of market segmentation

Market segmentation is a common practice among all the industries. It is not possible for a marketer to address the mass with same marketing strategy. Here are some examples of market segmentation to prove this point.

Marketers will only waste their time and might end up making fun of themselves if they don’t segment the market while marketing beauty products.

A company that sells nutritious food might market the product to the older people while fast-food chains target the working demographic or teens.
Sports brands often segment the market based on the sports they play which help them market the sports specific products to the right audience.

Market Segmentation is a convenient method marketers use to cut costs and boost their conversions. It allows them to be specific in their planning and thus provide better results. It ultimately helps them to target the niche user base by making smaller segments.

Market Targeting: Introduction, Definition, Procedure and Methods

*Market targeting is a process of selecting the target market from the entire market. Target market consists of group/groups of buyers to whom the company wants to satisfy or for whom product is manufactured, price is set, promotion efforts are made, and distribution network is prepared.*

**Introduction:**

A company cannot concentrate on all the segments of the market. The company can satisfy only limited segments. The segments the company wants to serve are called the target market, and the process of selecting the target market is referred as market targeting. Market segmentation results into dividing total market into various segments or parts.

Such segments may be on the basis of consumer characteristics or product characteristics or both. Once the market is divided into various segments, the company has to evaluate various segments and decide how many and which ones to target. It is simply an act or process of selecting a target market.

**Definitions:**

Market is segmented using certain bases, like income, place, education, age, and life cycle, and so on. Out of them, a few segments are selected to serve them. Thus, evaluating and selecting some market segments can be said as market targeting. The quoted definitions are not available.

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However, we can define the term as:

1. We can define the term as: Market targeting is a process of selecting the target market from the entire market. Target market consists of group/groups of buyers to whom the company wants to satisfy or for whom product is manufactured, price is set, promotion efforts are made, and distribution network is prepared.

2. It involves basically two actions – evaluation of segments and selection of the appropriate market segments. In this relation, market targeting can be defined as: Market targeting is an act of evaluating and selecting market segments.

3. Finally, we define market targeting as: Market targeting consists of dividing the total market
into segments, evaluating these segments, and selecting the appropriate segments as the target market.

**Procedure of Market Targeting:**

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Market targeting procedure consists of two steps:

1. Evaluating Market Segments:

Evaluation of market segments calls for measuring suitability of segments. The segments are evaluated with certain relevant criteria to determine their feasibility.

To determine overall attractiveness/suitability of the segment, two factors are used:

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i. Attractiveness of Segment:

In order to determine attractiveness of the segment, the company must think on characteristics/conditions which reflect its attractiveness, such as size, profitability, measurability, accessibility, actionable, potential for growth, scale of economy, differentiability, etc. These characteristics help decide whether the segment is attractive.

ii. Objectives and Resources of Company:

The firm must consider whether the segment suit the marketing objectives. Similarly, the firm must consider its resource capacity. The material, technological, and human resources are taken into account. The segment must be within resource capacity of the firm.

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2. Selecting Market Segments:

When the evaluation of segments is over, the company has to decide in which market segments to enter. That is, the company decides on which and how many segments to enter. This task is related with selecting the target market. Target market consists of various groups of buyers to whom company wants to sell the product; each tends to be similar in needs or characteristics. Philip Kotler describes five alternative patterns to select the target market. Selection of a suitable option depends on situations prevailing inside and outside the company.

**Alternative Strategies (Methods) for Market Targeting:**

Basically five alternative patterns/strategies are available.
Company may opt for any one of the following strategies for market targeting based on the situations:

1. Single Segment Concentration:

It is the simplest case. The company selects only a single segment as target market and offers a single product. Here, product is one; segment is one. For example, a company may select only higher income segment to serve from various segments based on income, such as poor, middleclass, elite class, etc. All the product items produced by the company are meant for only a single segment.

Single segment offers some merits like:

(1) Company can gain strong knowledge of segment’s needs and can achieve a strong market position in the segment.

(2) Company can specialize its production, distribution, and promotion.

(3) Company, by capturing leadership in the segment, can earn higher return on its investment.

It suffers from following demerits like:

(1) Competitor may invade the segment and can shake company’s position.

(2) Company has to pay high costs for change in fashion, habit, and attitude. Company may not survive as risk cannot be diversified.

Mostly, company prefers to operate in more segments. Serving more segments minimizes the degree of risk.

2. Selective Specialization:

In this option, the company selects a number of segments. A company selects several segments and sells different products to each of the segments. Here, company selects many segments to serve them with many products. All such segments are attractive and appropriate with firm’s objectives and resources.

There may be little or no synergy among the segments. Every segment is capable to promise the profits. This multi-segment coverage strategy has the advantage of diversifying the firm’s risk. Firm can earn money from other segments if one or two segments seem unattractive. For example, a company may concentrate on all the income groups to serve.
3. Product Specialization:

In this alternative, a company makes a specific product, which can be sold to several segments. Here, product is one, but segments are many. Company offers different models and varieties to meet needs of different segments. The major benefit is that the company can build a strong reputation in the specific product area. But, the risk is that product may be replaced by an entirely new technology. Many ready-made garment companies prefer this strategy.

4. Market Specialization:

This strategy consists of serving many needs of a particular segment. Here, products are many but the segment is one. The firm can gain a strong reputation by specializing in serving the specific segment. Company provides all new products that the group can feasibly use. But, reduced size of market, reduced purchase capacity of the segment, or the entry of competitors with superior products range may affect the company’s position.

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5. Full Market Coverage:

In this strategy, a company attempts to serve all the customer groups with all the products they need. Here, all the needs of all the segments are served. Only very large firm with overall capacity can undertake a full market coverage strategy.
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Personality and lifestyle influence the buying decision and habits of a person to a great extent. A person having a lavish lifestyle may consider having an air conditioner in every room as a need, whereas a person living in the same city but having a conservative lifestyle may consider it as a luxury.

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Types of Marketing Information System
Porter Diamond Model
Business Model of Myspace