

# Marketing Strategy

by Sophia



## WHAT'S COVERED

When your favorite sports teams go onto the field of play, they have a game plan in mind. They understand the opponent, and they understand what they need to do to reach their goal, which is to win the game. In business, it's not much different, especially with marketing. You've got to have a strategy. This tutorial will cover the marketing strategy. Our discussion breaks down as follows:

## 1. The Marketing Strategy

As far as a business is concerned, the marketing strategy is a plan to have the most efficient use of all the tools at their disposal, in order to get the most bang for their buck from their marketing. In the same way that a sports team is going to have a plan to make the most efficient use of all their players, the business is going to have a plan to make the most of their abilities.

A marketing strategy typically has two parts:

- Selecting the target market through analysis
- Setting up the 4 P's so that the product is most appealing to that particular target that you've selected

The **target market** is defined as an identified cluster of customers that are the focus of the business, specifically the marketing efforts. Which segment of the whole market are you going to focus on?

It is important to ensure that you are targeting one specific group, because if you simply target everybody, you're going to waste a lot of dollars. It's not going to be very efficient. In addition, chances are you're not going to put the most potential you can on the market that's most likely to buy your product.



### TERM TO KNOW

#### Target Market

An identified cluster of customers that are the focus of the business, specifically marketing, efforts.

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## 2. Target Market and Market Segmentation

Companies have a choice with how they choose to reach that particular market.

They can use an undifferentiated method where the product is not necessarily targeted at all, which is not very efficient. They're simply throwing a wide net out and hoping to catch somebody.

Another option is to use market segmentation. **Market segmentation** is a marketing process where the market as a whole is subdivided into categories of potential consumers, based on traits. Then, each subdivided group is focused on specific marketing efforts.

- Geographic segmentation: Segmenting by regions within the United States. Cold weather gear would be very good to have in places that are in the northern United States. Surfboards, on the other hand, would be very popular along the coast, and farming equipment would be very popular in places where there's a large agricultural area. These are all geographic segmentations, based on what is present in that particular geographic region.
- Demographic segmentation: Segmenting a market by gender, age, or some other physical characteristics of a people. Who does Levi's jeans sell their product to? Well, they sell it to both men and women, but they have different lines of clothing for each, and they target those specific demographics to get the most bang for their buck for those particular clothing items.
- Psychographic segmentation: Segmenting by lifestyles that a particular group may enjoy or participate in, like hunting or fishing. Hunting and fishing gear is going to be targeted to people who, obviously, hunt and fish. You wouldn't focus your marketing efforts on the segment of the market that doesn't like hunting and fishing, or who likes to spend their time doing something else, like going to movies or watching television or playing video games. That would not be an effective use of marketing dollars, nor would it be efficient. You'd also miss a lot of potential customers by looking at the wrong segmentation.



#### TERM TO KNOW

#### Market Segmentation

A marketing process where the market as a whole is subdivided into categories of potential consumers based on traits and then each subdivided group is focused on for specific marketing efforts.



#### SUMMARY

Today we learned about **the marketing strategy** and its two main parts: one, selecting the target market, and two, making sure that the 4 P's are most appealing to that particular target. We also learned about **target market and market segmentation**, and how they are different concepts, yet related.

Lastly, we explored some **examples of market segmentation** using the following variables, which help a business target for their particular product most effectively:

- Geographic, such as where the target lives
- Demographic, meaning the particular demographic that the target belongs to
- Psychographic, referring to the lifestyles that the target may enjoy

Good luck!

Source: adapted from sophia instructor james howard

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**Target Market**

An identified cluster of customers that are the focus of the business, specifically marketing, efforts