

Programme Name: \_\_\_\_\_\_\_\_**BCS HONS**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Course Code: \_\_**MKTG 1010** \_\_\_\_\_\_\_

Course Name: \_\_\_\_\_\_\_\_**Basic Marketing**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Group Project:** \_**1**\_\_

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1. **Discuss how market segmentation, target marketing and positioning are interrelated. Describe the demographic segmentation of consumer market with reference to two-wheeler costumers in Kathmandu Valley.**

***Answer***

In the current world, segmentation, targeting, and positioning (STP) is a common approach to modern marketing. Modern markets commonly use this practice to market their product. It is one of the most popular practices used for marketing after SWOT analysis. The STP model helps marketers to prioritise propositions and then develop and deliver personalized and relevant messages to engage with different audiences. It is a three-step model that helps to showcase your offerings to the consumers and its value to the specific groups. Since it is a step by step process, they are all interrelated.

**Applying the STP model**

**Step 1: Segment your market:**

This is the first and foremost, the very initial step in this model. The product or the service that an organization is trying to sell in the market isn’t going to be appealing to everybody and will not be preferred by every single person in the market. That is just impossible. Therefore, you need to segment your market and divide your customers into group of people with common characteristics and needs. This will help the organization approach a specific group with specific purpose and help organization fulfill the need of the consumer. This will also help the organization understand the requirement of people in more detail and not go with ‘one size fit all’ approach.

**Example:**

In the context of Nepal regarding two-wheelers, we can categorize them into 3 segments. Segment A consists of higher class people who can afford higher ccs of bikes costing over 10 lakhs and above like Honda CBR 600RR, Benelli 302s, Honda crf 250. Segment B consists of people of middle class who generally ride bikes like Bajaj, Ktm. Then Segment C consists of people who ride scooters and inexpensive and easy to maintain bikes like scooters and others.

**Step 2: Target Your Best Customers:**

Next step will be to go with the most suitable segment and market the organization thinks it will the most profitable one where they see the most potential. This step is taken after a lot of analysis and in-depth market research. This is where the company should analyze the potential size and growth of the target segment. They should ask questions like is it profitable? how will the market be after 5 years? can we sustain it? is there opportunity to grow? and things like that. The most viable option should be taken when choosing the segment.

**Example:**

Kawasaki, a famous motorcycle brand is known for producing premium quality higher cc’s of bikes all over the world. However, the brand has not entered Nepal yet. But it is in the news that Kawasaki ins trying to enter Nepalese market soon. This time Kawasaki is exploring the option of targeting the middle-class people of Nepal and planning to introduce mid-range bikes in the country since Kawasaki sees the passion of the youth for two-wheelers in Nepal with a budget friendly mid-range premium bike that does not put a hole in the pocket. The company sees an opportunity in this segment with less competitors and higher chances of growth.

**Step 3: Position your offering:**

The last step is to offer your product to the target market to the most valuable customer in the segment. Then, the technique of marketing-mix can be applied for maximum effectiveness for selling the product. The customers should be appealed by your product and they should have a strong reason to buy your product instead of other competitors. The company should best identify the target segment customers and how they perceive your product so that it can be best offered. If the product solves the need/ want or the problem of the costumer, the product has a higher chance of being hit.

**Example:**

The Kawasaki brand targeting the middle-class family in Nepal. It extensively uses

social media platform to host various competitions among the customers to hype and promote the brand. It also provides special after sales service for it’s costumers and every year 1 lucky winner among the Kawasaki family gets a round trip to Europe.

1. **Describe consumer buying process regarding smart watch with elaborated explanations.**

***Answer***

A consumer buying process is a series of steps a consumer evaluates and considers before purchasing a product. This behavior of consumers helps market to identify the behavior of consumer buying process. Consumers go through 5 stages before buying any goods or services.

1. **Need/Want Recognition**: The buying decision starts when a consumer recognizes a need or want for any kind of product/services. When a consumer feels a need or want for any kind of goods/services they may want to buy that product for fill in the gap for the problem because of that lack of product in their lives. For example, let’s say Marie an office employee wants to buy a wrist watch. Since she has to be on time day to day to her office, this want of her will help her solve the problem of her punctuality.
2. **Information Search:** This is the next phase of consumer buying decision process. This is the phase where a consumer starts looking for the product and information. The need/ want for the product leads them to research for information by doing online research or asking friends/relatives for their information. They may look different reviews of the product over the internet as well to know more details about the good and bad aspects of the product. For example: Marie who was thinking of buying a wrist watch firstly would firstly would research about the watch: its brand, type, quality etc. before buying it.
3. **Evaluation of Alternatives:** Once the search for the information for the product is complete, they are now on the verge of buying the product that is best for them. But before that, they make sure to evaluate each and every competitor in the market so that they get the best results from the product as much as possible. They look for reasons to believe why one solution has more benefits than the other. For example: Marie before deciding to buy a watch will consider multiple other watches like the brand of the watch, price, quality, warranty, after sales service, features etc.
4. **Purchase Decision:** At this point, the customer is ready for the purchase of the product. They have completed all their research about the product and its competitors and have made up their mind to purchase a specific product. They will buy the most preferred product according to their choice. Now it’s only a matter of time of when and where to buy the product. The actual buying takes place in this stage. For example: Maire who has made a decision to buy watch from Rolex will make a purchase of the watch. Now how she purchases the watch depends upon her whether ordering online or walking into the store.
5. **Post- Purchase Behavior:** At this point of time, the consumer buying process is complete which means the consumer has made a purchase of the product. This is the time a consumer reflects whether they made a right decision or not. The consumer will use the product and see for themselves the good and the bad aspect of the product and realize whether it fulfilled their need/ want from the purchase. If they are happy with the product, they may want to go back to the same brand for more other products later in their lives. However, if the product did not meet their expectation, they may disregard the product. For example: Marie who had purchased her Rolex watch may recommend the product to others if she was happy with it. However, if the product did not convince her, she would do otherwise and rate it as ‘not-worthy’.
6. **Analyze social and cultural environment and its influence on marketing activities.**

***Answer***

**INTRODUCTION:**

The concept of marking isnt new to the business, as the concept has been derived from themarket; people have been engaged in marketing in one way or another inside a market setup since the evolution of markets.

American Marketing Association (AMA) defines marketing as, Marketing is the activity, set ofinstitutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

**SOCIOAL AND CULTURAL ENVIRONMENT:**

The socio-cultural environment is made up of institutions and other forces that affect a society’s basic values, perceptions, preferences, and behaviors. Socio-cultural forces usually influence the welfare of a business firm in the long-run.

Social and cultural factors influence all aspects of consumer and buyer behavior. The difference between these factors in different parts of the world can be a central consideration in developing and implanting international marketing strategies. Social and cultural forces are often linked together whilst meaningful distinctions between social and cultural factors can be made in many ways by the way the   two interact and the distinction between the various factors is not clear cut. Differences in languages can alter the intended meaning of a promotional campaign and differences in the way a culture organizes itself socially may affect

the way a product is positioned in the market and the benefits a consumer may seek from that product. This is a useful distinction from the broader forces of culture, social class and social factors are clearly influenced by   cultural factors. Take the example of the family which is an important medium of transmitting cultural values. Children learn about their society and culture throughmany means but the family influence is strong particularly during the early years of a Child’s

life. Moreover, the arrangement of family life varies considerably from one culture to another.

**SOCIAL INFLUENCES:**

Population can he divided in to groups on the basis of similar hobbies opinions and activities, population in the UK can be subdivided into to two groups depending on the lifestyles; there is a group that has an attractive lifestyle and the other that is striving to fit in. So the differences in social class can create customer groups. In fact, the official six social classes in the UK are commonly used to foresee different customer behavior. In the UK’s socioeconomic classification scheme, social class is not just determined by income. It is measured as a combination of occupation, income, education, wealth and other variables.

Marketing has to track down any changes in the need and wants of the groups which may point to decrease or increase in demand for a new product, this concept leads to product innovation for example a cultural change towards greater concern for health and fitness has created new opportunities for low calorie foods, exercise equipment and health clubs.

**CULTURAL INFLUENCES:**

Culture represents the living style of the people of a specific area, the buying behavior, the taste, the class of people to which they belong; the psychographics and the aesthetics of the population. Cultural changes account for people’s core beliefs or values. People’s view of themselves, others, society, organizations, nature, and the universe all play a part in shaping one’s culture as well as influences his behavior. Companies need to consider these factors while working in the market place. When a company decides to launch a product, it must keep in mind what is the product and what the target population should be. Target population is chosen on the basis of these cultural influences as well as their demographic impact.

A company must know whether it is going to launch the product for middle class or elite class?

Whether such kind of products is already running in the market? What is the taste of people?

What is their purchasing behavior? Whether they can be regular customer or not? A lot of such questions should be satisfied first and these all are necessary to launch a successful product.

For example, if we consider a daily product like shampoo; we see Dove, Pantene, Head &amp; Shoulder, Sun Silk, Life buoy, etc all these are shampoos but made for different categories of customers. Dove and Pantene for elite class, H &amp; S and Sun silk for middle class and life buoy for lower class. Different tea brands hit different classes. Education is also a variable for shaping up decision making process. For example, a black berry mobile phone is useless for an illiterate

person. So a marketer must keep in mind the cultural influences.