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Marketing Management Week 4- Targeting

Targeting in marketing involves breaking customer into segments and then designing marketing activities that will help the businesses in making a profit (Iacobucci, D. (2018)). Basically it means that identifying a group of people who are potential customers for a particular product because of their same interest. By knowing this one will get to know the market size as in how much the product will be used how much it can grow, the competitors in the market and how the customer's behavior and expectation will help in producing the product. Apart from this strategic fit is also an important factor one should consider. Strategic fit is basically the degree to which a business is and has the resources which aligns to the external environment. It means that you have to prove to the customers that their needs and expectations will be met. In order to have a perfect target in marketing one can use SWOT analysis where S stands for strength, W for weakness, O for opportunities and T for threats. Environmental analysis is very important in marketing as it influences marketers to adapt to strategies required to stay responsive to the evolving market condition. SWOT analysis is widely used in marketing because of its practicality. Strength and weaknesses are considered internal factor. Strength means that the company has all the factors to stand against the competition in the market. For example, what can you provide which the competitors cannot provide. Weakness which is also considered an internal factor is basically what a company is lacking, for example because of which the company was not making the profit or targeting the population. Opportunities are considered more as an external factor, and it helps in making a profit by working on the needs of the targeted population. For example, what are the benefits of choosing the products from this company. Threats considered as an external factor which basically are faced because of the competitors, economic issues, technological disruption thus having a negative impact on company's performance in market. For example, if a company has issues with the cash flow. Customers perception towards a company do play a role in determining the strength and weaknesses of a Company. Equality is a key factor which plays a big role in determining the strength of a company the better the quality the more it's sustainability and thus it attracts customers. A company's strength is analyzed by comparing it with the competitors in the market. Segment sizing and marketing involves assessing the potential and characteristic of special market segments media. This helps in targeting particular groups of customers based on different factors like demographics, behaviors or preferences. This helps the company to use the resources effectively in order to impact the marketing efforts.

Questions:

- Dyson is a company on which I would be present swap analysis. Dyson is a brand which sells products like vacuum cleaner, hair products like hair dryer, straightener, curler. I will do analysis on the vacuum they sell. Dyson stick vacuum which is the basic version it

provides. Strength of those vacuum is that it is less space consuming compared to the other vacuums they sell, and they are cheaper compared to the other ones. "Suction" which is an important factor in vacuum and thus Dyson provides better suctioning on uneven surfaces and compared to the other brands. Weakness is that it is pricey compared to the other brands in the market and also for the factor that the price is never drop and it is not a suitable product people with low income especially when more affordable priced products are available in the market. Opportunities a customer will have while buying this product is that sustainability and different factors which will give them options to choose from depending on what they're looking for. Also, the design of the Dyson vacuum in such a way that it can clean the corners compared to the other products.

Threats to this company is that the competitors in the market are getting similar products at a cheaper rate compared to Dyson which is affecting its market, since those products are more economically affordable by general population which includes students, people with low income.

- A good competitor to Dyson is Bosch who is also known for its variety of vacuum cleaners which they provide in the market. For SWOT analysis for Bosch, it can be bent to 90 degree which will help to clean the surface under the table or shelf, sofas. The noise Bosch makes is gentle and easy on ears. They have good battery life compared to other brands. Weakness of Bosch that it is bulkier, and the suction quality is poor. Bosch target general population as the price it is sold for is reasonable. Threats is the market competitors who have a good brand value and is more trusted by customers.
- Main similarities of two company is that they give results for what they are designed for. They target the customers considering what they offer. Differences is that Dyson can be

used for daily basis whereas Bosch cannot consider the size and weight. Bosch has a long run time, flexible-in-built attachment compared to Dyson. It is easier to empty the dust from the Dyson vacuum compared to the Bosch where we have to remove the attachments to empty it.

Reference:

- Iacobucci, D. (2018). Marketing management. 5th ed. Cengage Learning.

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Market sizing holds paramount significance in the realm of strategic business planning and decision-making. Essentially, it involves estimating a market's potential volume and value, offering valuable insights that guide organizations in allocating resources effectively and making informed business decisions. Market sizing provides a foundational understanding of the market's current state and growth prospects, aiding businesses in identifying and seizing opportunities while mitigating potential risks (Gautam et al., 2023).

Understanding the size of a market is crucial for various aspects of a business strategy. Firstly, it assists in resource allocation by helping companies prioritize and invest in segments with the most significant growth potential. This, in turn, maximizes the efficiency of marketing efforts, budget utilization, and overall operational activities. Secondly, market sizing facilitates competitive analysis by delineating a company's market share, enabling comparisons with competitors and highlighting areas for differentiation or improvement (Gautam et al., 2023).

Moreover, market sizing plays a pivotal role in investment decisions. Investors and stakeholders rely on accurate market size assessments to evaluate the potential returns on their investments. It provides a basis for assessing the attractiveness of a market and aids in setting realistic expectations for revenue generation and profitability. Additionally, market sizing is instrumental in product development and pricing strategies, helping businesses tailor their offerings to meet the specific needs and preferences of the identified market segments (Gautam et al., 2023).

Furthermore, market sizing is an ongoing process that adapts to changes in consumer behaviour, technological advancements, and external factors. As markets evolve, having a dynamic understanding of their size allows businesses to stay agile and responsive, adjusting their strategies to capitalize on emerging trends and navigate challenges effectively. In essence, market sizing serves as a compass for businesses, guiding them through the intricacies of the marketplace, fostering informed decision-making, and ultimately contributing to long-term success and sustainability (Gautam et al., 2023).

a. Tesla Inc. stands out with a formidable set of strengths in electric vehicle manufacturing. The company has positioned itself as an industry innovator, boasting cutting-edge technology such as

Autopilot and advanced battery systems (Iacobucci, 2018). Tesla's brand reputation is a significant asset, characterized by a strong image built on innovation, sustainability, and high-performance electric vehicles. The company's commitment to vertical integration, overseeing the entire supply chain from manufacturing to sales, gives it greater control over production quality and efficiency. Furthermore, Tesla's global presence in major markets like the United States, Europe, and China solidifies its position as a critical player in the electric vehicle market.

However, Tesla is not without its weaknesses. The company has faced challenges in meeting production targets, leading to delays in vehicle deliveries and potential customer dissatisfaction. Additionally, the higher price point of Tesla vehicles compared to traditional combustion engine cars limits their accessibility to a broader market segment. Tesla's financial performance is also influenced by government incentives and subsidies for electric vehicles, introducing an element of dependence on external factors.

In terms of opportunities, Tesla can capitalize on the expanding global market for electric vehicles, leveraging the increasing demand for sustainable transportation. Diversifying its product line by offering more affordable models could broaden Tesla's appeal and reach a broader customer base. The company's expertise in battery technology opens doors to opportunities in the growing market for energy storage solutions such as Powerwall and Powerpack.

Conversely, Tesla faces threats from tight competition in the automotive industry, particularly as traditional automakers intensify their focus on electric vehicles. Regulatory challenges, such as emission or safety standards modifications, could disrupt Tesla's operations and pose financial risks. The company is also vulnerable to supply chain disruptions, including shortages of essential components, which could impact production.

b. Shifting focus to General Motors (GM), a veteran in the automotive industry and a competitor to Tesla, the company exhibits several strengths. General Motors boasts an established reputation as an automotive icon with over a century of existence, contributing to an outstanding brand image. The company maintains a global presence, holding significant market shares across North America, Asia, and other vital regions (Iacobucci, 2018). General Motors' diversified vehicle portfolio, featuring trucks, SUVs, and electric vehicles, caters to various customer preferences, and its extensive manufacturing knowledge and expertise enable efficient mass production. However, General Motors faces challenges in transitioning to electric vehicles, lagging behind Tesla. Market perception may impede its competitive edge in the evolving electric vehicle segment. Additionally, being an established automaker, General Motors contends with higher legacy costs related to pensions, healthcare plans, and union agreements, compromising its cost competitiveness.

Opportunities for General Motors lie in capitalizing on the increasing electric and hybrid vehicle markets through research, development, and marketing investments. Implementing advanced technologies, such as autonomous driving and connectivity, can enhance GM's competitive edge, and identifying opportunities for global expansion in emerging markets presents avenues for growth.

Conversely, General Motors faces threats from competition from tech companies entering the automotive space, especially in the electric and autonomous vehicle domains. Regulatory changes, such as modifications in emission standards, can impact manufacturing processes and product offerings. Like Tesla, supply chain disruptions may impede General Motors' production and lead to delivery issues.

c. Comparing Tesla and General Motors reveals distinct differences in business focus, innovation, market position, and brand image. Tesla is recognized as an electric vehicle innovator with a strong emphasis on sustainable energy solutions. At the same time, General Motors adapts to changing trends by expanding its electric vehicle portfolio while maintaining a diverse lineup (Iacobucci, 2018). Each company's approach to production and supply chain management, financial performance, and market perception contributes to its unique standing in the competitive automotive landscape.

Reference

Gautam, N., Nayak, S., & Shebalov, S. (2023). Machine learning approach to market behaviour estimation with applications in revenue management. In *Artificial Intelligence and Machine Learning in the Travel Industry: Simplifying Complex Decision Making* (pp. 137-143). Cham: Springer Nature Switzerland.

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