

4) Customer loyalty:

If the specific needs and wants of the target market are identified and the services are satisfactory, it is likely that these customers will be to be more loyal towards your brand. If they are more loyal they will continue to cater your services for a longer period of time. In the above example the art lovers will remain loyal customers to the travel companies and will definitely buy the upcoming new products.

5) Improved services:

Target marketing helps to know and understand the customers more intimately. You can find ways to enhance or improve your offerings and features which attracts the targeted segment can be changed accordingly. In the above example the target market is interested in ancient painting and is also inclined towards acknowledging the ancient sculptures or are interested in visiting a museum having a storage of ancient art. In this case the interesting things can be added. Thus we can see that there is a lot of scope for enhancing the services of the customers according to the targeted market.

Check Your Progress - 1

1) What is target market ? Elaborate on how target market enhances promotional activities with appropriate example?

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2) How is target market important to improve the customer services?

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3) Discuss on how target market helps in developing new products?

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6.4 TARGET MARKET SELECTION PROCESS

After the systematic segmentation of the market, the marketers must focus on the appropriate market whom they can sell the products and who will respond positively to their marketing strategies. In the target market selection process following points must be considered.

Evaluation of the segment

Selection of the segment

6.4.1 Evaluation of the segment:

- a) It is essential for the organisation to evaluate the potential of segment on the basis of future profit gains.
- b) Evaluation has to be done on the basis of the available financial resources with the organisation.
- c) Evaluation of the segment has to be done on the basis of efforts needed by the organisation to market the selected segment effectively.
- d) Evaluation has to be done on the basis of exploring the segments which are very contemporary and will not face much competition in future.

6.4.2 Selection of the segment:

After evaluating the different market segment, the organisation should decide on selecting the most appropriate segment. Since the competition is high it is essential for the marketers to search new ways of targeting the customers. Let us see how to select a market segment.

6.4.2.1 Single segment concentration-

Here the marketer selects a single segment. For example if the organisation has chosen a segment on the basis of demography (age) only for the z generation for adventure tours in Himachal Pradesh. The positive thing of selecting this single target market may lead to advantage like high sales as all the marketing efforts are put on the single segment and improving the product to match the preferences of the customers. The negative thing on the other hand is if the z generation stops patronizing the product the organisation has to face the loss.

6.4.2.2 Selective specialization:

This is a process in which the organisation focuses on few market segment and concentrates on fulfilling their needs. If the organisation has chosen more segments on the basis of demography (age) for X generation, Y generation and z generation for adventure tours in Himachal Pradesh. Here even if anyone target market becomes unattractive the organisation can concentrate on the other so as curb the risk of loss.

6.4.2.3 Product specialization:

Here the company develops and specializes in a single product for different segments. If the organisation has single product in adventure sports i.e. white water rafting and has chosen more segments on the basis of demography (age) for X generation, Y generation and Z generation for adventure tours in Himachal Pradesh. The company here will gain substantial reputation and profits as well. But if the competitor selects the same product i.e. white water rafting with more advance technology the company's product may get replaced completely leading to loss.

6.4.2.4: Market specialisation:

Unlike product specialisation, market specialisation involves concentrating on the different needs of the consumer group. If the consumers group wants only white water rafting as an adventure sport the organisation will concentrate on developing only this product. But if the preferences of the groups changes for some reasons then the company will be in loss as it has utilized maximum time in just developing the product for the specific market instead to developing a few more products.

6.4.2.5: Full market coverage:

Here the company targets the full market rather than the specific ones. Here no segment is left untargeted. For example if the organisation has developed adventure tourism product i.e white water rafting it selects all the segment based on the demography, Psychology, geography behavior etc.

6.5 APPROACHES FOR TARGET MARKET

Marketers have to develop approaches for target market which will ensure them profit. The approaches which should be taken into consideration are the market growth, competitive intensity, market access, segment profitability and the marketing mix strategy.

Let us see the approaches one by one.

6.5.1 MARKET GROWTH

To check out the market growth of the segment to be targeted the company has to do market research. For example if ministry of tourism has opted for geographic segmentation for developing Buddhist tourism in India. For this it has selected Japan as a target market. Firstly a research has to be done on the infrastructure India has for Japanese tourists e.g. Japanese food or Japanese speaking tourist guides etc .Secondly the brand image perceived and the intension to travel must also be studied. Thirdly research on the statistics of the people who follow Buddhism religion in Japan must also be done. Moreover their paying capacity will also be useful to predetermine the success of the segment selected.

6.5.2 COMPETITIVE INTENSITY-

Considering the same example above, India tourism must evaluate the competitive intensity to market Buddhist tourism destinations for the Japanese tourist as there are many competitors having similar Buddhist sites like India. For example if India has world Heritage sites of Ajanta and Ellora caves depicting Buddhist religion in the form of fresco paintings, China too has Dunhuang caves depicting similar cave paintings. Therefore competitive intensity related to developing uniqueness in the Buddhist tourism products and services and brand image needs to be evaluated which targeting the market.

6.5.3 - MARKET ACCESS-

Cost of reaching the market is often the deciding factor for the segment we have chosen to target. Considering again the same example above it is very important to see how accessible it is for the Japanese tourists to reach the Buddhist tourism sites in India. India being a big country in terms of size, proper communication through proper channels must be done relating to the airlines, roadways and other transportation to the Japanese tourist.

6.5.4 SEGMENT PROFITABILITY

This step is crucial as everything revolves around the socio-economic and multiplier economic impact of tourism. For example if we have selected Germany as a target

market segment for medical tourism in India it is very important for India tourism to check the paying capacity of the German tourists and the overall economic impact we can gain. Another example is Adventure tourism in India. It is important for ministry of tourism to select target markets on the basis of Income or economic status for adventure tourism activities as it is a costly product.

6.5.5 MARKETING MIX STRATEGY :

Lastly target market and positioning strategies must include all aspects of the marketing mix like Product, Price, Promotion and Place, Protection. If any of the marketing mixes is not matched with identified segments it can lead to a complete economic loss. Let us see this with an example of wild life tourism.

If India has selected any European country as a target market for wild life tourism products, emphasis must be given on

- Product development according to the Germans like infrastructure .
- Pricing can be more as the paying capacity of Germans is high.

Promotional strategies especially the online advertisements on social media and websites must be developed according to the brands identified by them. Public relation which is an integral part of promotion has to be done among the stakeholders like travel agents, tour operators, hoteliers, airlines and government tourism offices.

Lastly Protection relating to sustainable product development considering the environmental protection must be done. For this strategies like green branding must be adopted.

Check Your Progress - 2

1)What is single segment concentration? Elaborate with an example.

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2) What is product specialisation? Elaborate with an example.

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3) Explain any one approach for target market?

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6.6 LET US SUM UP

Target marketing is defined with an example to make the students understand it easily. After defining the target market, its importance is elaborated i.e. to help in developing new products, developing appropriate branding strategies, promotional activities, increase in loyalty of customers and improved services.

In the process of targeting market, evaluation of the segment and selection of the segment are the two important points discussed elaborately in the section 6.4. Selection strategies like selective specialisation, market specialization and product specialisation will help a marketer analyse his capabilities to fulfil the need of the market. Lastly approaches for the target market are elaborated which are related to Market growth, Competitive intensity, Market access, Segment profitability and Market strategy.

6.7 KEY WORDS:

Target market in tourism, Segment evaluation, Segment selection, Segment attractiveness, Segment profitability.

6.8 FURTHER READINGS:

1. Tourism Marketing Manjula Chaudhary, Oxford Higher Education, 2010.
2. Marketing for hospitality and tourism, Philip Kotler, John Bowen, James Makens, Pearson Education, 2005.

6.9 CLUES TO CHECK YOUR PROGRESS

Check Your Progress - 1

1. See section 6.2, 6.3 and frame your answer
2. See section 6.3 and frame your answer
3. See section 6.3 and frame your answer

Check Your Progress - 2

1. See section 6.4.2.1 and frame your answer
2. See section 6.4.2.3 and frame your answer
3. See section 6.5 and frame your answer

6.10 ACTIVITIES

1. Develop market segment on the basis of gender (male and female) for a shopping tourism destination of your choice (national or international destination). Check out their need and preferences and accordingly select appropriate segment.
2. Select any travel agency in your town and collect data with the help of interview schedules about the target market selection process they use for their products.

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