

Market Intelligence To Develop Product & Brand Strategies For Fast Changing Market Segment

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Abstract: In the ever changing market the manufacturer has to keep themselves updated and should have access to real time changes in the market as these changes in market environment alters the market segments they serve and it affects the profitability of the firm. This real time information is very helpful for formation of product & brand strategy of the organization. These strategies are linked to the corporate strategies of the organization for achieving the long term organizational goals. The market intelligence provides real time information and contributes to these strategy formations. The Research Paper talks about why the market segments change so often and what causes these changes. Also these changes cause change in the product & brand strategy which can be controlled or supported by the market intelligence.

Key Words: Strategy, Product & Brand Strategy, Market Intelligence, Market Segmentation, Branding, Market research,

Methodology: Researcher has used secondary source of data for collection of information.

Introduction

Organizations can achieve success by understanding the social, economic & technological challenges and its counter effect on overall business and predominantly on the organization itself. There could be various reasons to trigger these economic, social & technological changes, which drive the change in buyer's behavior which forces organization to alter the product portfolio. But organizations should understand the need & try to convert these threats in to opportunity.

The current trends in the key driving factors for market is changing at faster stride. There are different kinds of consumer and they display variety of buying patterns. A scenario for product or brand positioning is changing with the changing needs & taste of these consumers. Business units are facing more & more difficult challenges for launching new products or brands, running & sustaining in the competition.

Traditionally demographic traits such as age, sex, education levels, and income were key for market segmentation which are now no longer adequate to oblige as a foundation for product or brand strategy. Consumer buying decisions are getting influenced by the non-demographic traits such as values, preferences and tastes not by their demographic traits. These changes and the strategy formation depend on the segment those appear more promising for specific brand or a product but this is turning untruthful for most of the organization in recent times.

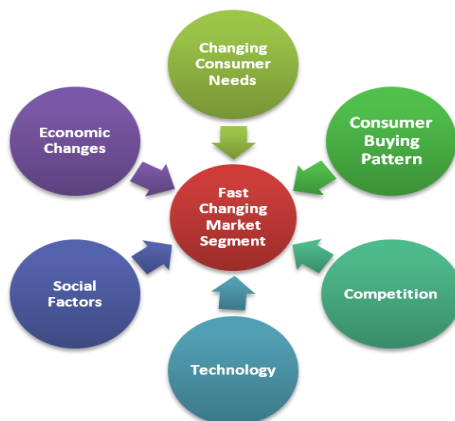


Fig 1: Factors affecting fast change in market segment

The fast changing environment distresses the standard market segment and in turn disturbs the product & brand positioning hence it becomes very important for an organization to react to changing environment. Market research & intelligence function plays vital role in collecting these real time insights. Role of research is often to hold up merit to business and ask business units to what they are doing & to hold them up to scrutiny. Market Intelligence captures the ever changing facts and drives the organization to change their strategy or compel to go for new strategic decision which will allow to sustain in the competition. It is important at the inception to ensure that using market intelligence is seen by organizations as a strategic priority. Sometimes lack of strategic commitment towards implementation & use of market intelligence data becomes reason to failure in using this data as information & in effectiveness. This market data can help & support the current and future success of the organization for product & brand positioning by providing evidence on what external customer wants. Organizations that make good use of market intelligence data tend to have commercial and customer oriented focus. These organizations are principally driven by needs of the customer and that again depends on the cluster of individuals or the segment. Basically the organizations having commercial focus instinctively understand the value of market intelligence and try to use it where ever possible across all decision making platform.

Fast changing market segments

Due to easy access to the information & communication technologies consumer demands are getting affected and they are changing at faster pace which is altering entire business model & its network. Companies can start & try to reach to consumer demand by accessing consumer information through various available sources. Due to social media it has become very easy & readily available. Consumers are constantly talking about the newest developments and are longing to have the new. However, these developments are creating new segments which are non-traditional. They are placed differently and become fast changing segments. These segments of market having set of customers, who share the same or similar set of needs and wants. Due to growth in ever increasing demands of consumers lot of customization is required in the products. This is leading to combination of low volume & high efficient product demand. Organizations are required to focus more on customer segmentation in order to understand & implement the demand.

Instead of asking consumers what they want, organizations go to various forums to decide what the trend is. The main reason of changing market segment is the consumer segment or the market segment is not clustered on the basis of traditional traits but these basic traits are changing across the cluster on timely basis. The major example is food industry. Even though food industry has its own segments on the basis of demographics but now other factors such as income level, current trends, taste & cultural variation are playing very important role in changing these segments. With the growth of economy & globalization the cultural barriers are moved and which is forcing fast change in the segments.

McDonald's has successfully identified the changing market demands either by culture, by economy, or by taste etc. Changing with changing needs & the specificities of each culture is very important to sustain in the competition and also it is very important to identify the problems & factors causing these changes. Understanding needs of the customer of specific segment or culture will allow organization to launch the special product in the market. The fast-food giant has identified these factors rightly and accordingly placing their products in the market. for example: McBaguette in France, aalu tikki burger and Masala Grill Chicken in India (with Indian spices) as well as a Mega Teriyaki Burger in Japan. Halal certified products in the processing & preparation in Arabic & Muslim countries are used in McDonald.

Similarly FMCG industry is facing these fast changing market segments due to market & economic dynamics. Due to these dynamics companies need to identify all the factors which will affect the placement of specific product in specific segment. A set of subcultures form a society. Subcultures share same values across group of people based on a mutual experience or a similar lifestyle in general.

Many time's segmentation of the market is considered on the basis of subcultures. This helps to target the specificity of the subculture which ensures the proper positioning of the product or the brand in the minds of people. For example "ethnic cosmetics" has shown great success. These are products are targeted to non-Caucasian populations and for African, Arab or Indian populations having similar skin pigmentations.

Product & Brand strategy

Business goals need to play critical role in shaping product & branding strategy. But more often they are driven by market insights and ever changing consumer demands. All the strategic decisions are connected to various Product and brand strategy which are two different things with different perceived value. The strategies are the certain set of steps which allow an organization to reach to their projected goal or target. Formulation of these

strategies itself is a process as it defined the future path of the organization. Every strategy should have & driven by the set of enduring objectives. It is very important that strategy should act as a medium for consciousness of organizational objectives. These objectives provide focus to the get derived strategy stressing upon the process & the methodology of reaching right direction.

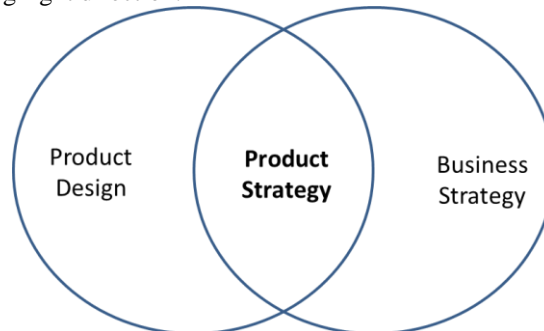


Fig 2: Product strategy

Fixed objectives & methodology to use these objectives are the part of strategy. Hence strategy is considered as bigger term which believes in optimum utilization of resources to achieve the desired objectives & goals. Various steps are involved before any organization freeze on their strategy irrespective of whether it is for product or for brand. Some of the standard steps taken up by organizations are setting up of organizational objectives, evaluation of organizational objective, setting quantitative targets, these further breaks in to divisional plans followed by performance analysis and then actual strategy is finalized. Each step before actually it takes a shape evaluates lot of real time data. Business organizations have to depend on the product strategy as it is a vital part in execution of overall business strategy. Whenever firms grabs business opportunity uncertainties such as success factors, failure, achievements of goals by using this opportunity, cost etc. are carried along. It is important to communicate the efforts to consumer so consumer should value & pay for it. It's too complicated & hence product strategy is vital. Which is driven by market insights can be through competitor analysis, trend analysis or customer analysis. Product management department has special space in organizations for serving as the "voice of the customer" and facilitating to better cognize market needs. This department is responsible for future roadmap of new product developments and enhancements, For example, what is the product strategy that is driving roadmap priorities. Since products & services are main sources of income for companies', hence crafting the product strategy with care & with the help of close scrutiny of the executive team so that it would be meticulously aligned with a predominant corporate strategy is of prime importance.

This product strategy management function commissioned with providing market intelligence to inform the top management, handling profitability, and driving product strategy consistent with corporate strategy. This function becomes a tool for the decision makers to explore and manage long-term opportunities and can change the profit & loss as it holds the responsibility of same. This also takes the control over many important business decisions rooted deeply in to organization. Hence it gives power to decision makers to plan & make optimum use of resources available with organization for successful roadmap and product plans. Since product strategy drives & executes the strategy, and work with many other functions in the organizations during new product development and delivery, it requires inputs from cross-functional teams. For example project managers and business analysts. Some companies create a "New Products development" reporting to the key decision makers that has a set hierarchy of general manager heading up each major product lines with new product management, marketing, business analysts, and projects team reporting into it.

Brand Strategy

Brand strategy is considered vital for all the organizations but they have alike importance for customers or consumers. From consumer or customer point of view, various reasons makes brand important factor. For a customer brand is quality from sellers, which helps to reduce time spent to make a purchase decision. It is also a benchmark in quality as well as customer expectation, which act as a point of differentiation from competitors and that leads to a profit.



Fig 3: Factors in brand strategy

Due to effect of globalization and technology developments companies are facing many challenges for brand strategy development. Consumers are becoming wiser & accessing to real time information than ever before. Use of cloud technology has given the boost to reach to many people simultaneously. This type of broadcast over Internet showcases product information proliferate raising expectation bar for companies. Organizations offer multiple products or services in selected market segment, many competitors follow the same. The identity developed for this product and services over a period of time, through marketing, robust performance etc. is referred to as brand strategy. It's the image that is created & properly positioned by the organization in the minds of customer or targeted for group of customer segments. A time comes where stage arrives where product name itself becomes brand e.g. - coffee-Café Coffee Day, donut-Dunkin Donuts, online retail-Amazon, etc.

Brand strategy is very important for products and services sold in large consumer markets. It's also important in business to business marketing also because it's one of the differentiation strategies with competition. Brand strategy allows organizations to place their product in the minds of consumers and it is positioned in such a way that customers are willing to pay bit higher just for the brand. There are few keys while implementing organizational brand strategy such as identify what others are doing i.e. identify competition, continuous improvement in product & delivery timing of the product.

Market Intelligence & its role in formation of strategy

Organizations need to work like human body immune system, they have to be ready to response to changes outside and adapt to the changes. Organizing and reproducing to those changes exploring new & exploiting exiting resources. This will help organization to react & to take the right move.

The market intelligence is the collection of real time information from defined market. Often people confuse or use market intelligence for market research which is partly true as it depends on the use of information collected from various sources.

The current scenario demands & hence companies are having a separate market intelligence department which clubbed with strategy department but varies from company to company & the market served by them. Before going for product planning product manager prefer to collect market data through market intelligence. This information collected with the help of market intelligence is used by decision maker as it is passed by product manager with all requisite due diligence and it helps & contributes in the strategy formation which drive the organizational goal.

The weightage of market intelligence information can be seen by its use & its influential power in making & supporting better decision. If the decision is not influenced by this market info then it's obvious that the analysis is not appropriate but it's not true in reverse condition. Hence the combo of perfect analysis of market intelligence and unbiased decision process creates successful brand.

Marketing intelligence Information collected from external environment supports strategic & operative decision of organizations. This information includes anything from social media inputs or inputs from experts. It is very important to have right set of expert level and tools to collect this information.

Market intelligence stages help businesses complete this increased vacillation by taking responsibility for strategic analysis. Organizations are utilizing methods such as competitor analysis, situation analysis, trends analysis, and so on.



Fig 3: Relationship between market intelligence & decision making

Benchmarking of marketing intelligence information is very important against competitors and their process of information collection but organization show reluctance & incapability to do so. This needs to be critically evaluated by companies in order to succeed & take over their competition. Perfectly implemented market intelligence function deals with external as well as internal environment, own separate budget & work closely with strategic decision makers and it helps to compete in complex environment & cut through competition.

Conclusion

Any organizational decision is driven by some concrete strategy and which is supported by many inputs from market. In fact the Market data derived by scientific methodology drive the strategy building and these strategies are linked with corporate goals & objectives of the organization. In order to succeed in the ever changing market segments it is very important to follow market inputs & scientific methods to achieve growth pattern. For all type of organization irrespective of which market segment they are serving has to face the market dynamics but in order to counter these changes organizations need to prepare themselves with proper product & brand strategy.

The factors which make market segments dynamic, the market intelligence information of same can make better strategic development, effective decision making and stable growth opportunities for the organization.

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