Finding the Applications and Implications for a Proper Advertising to Meet the Standards in Target Marketing- A Study

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Abstract: Marketing is a key concept in any business. There are many aspects of marketing such marketing techniques. This paper focuses on how to target a market. This paper has defined four factors for targeting an attractive market, i.e. size of market, growth, stability, and competition that affects the business or firm to target an attractive market is analyzed using rational analysis. It aims to identify the positive effects of such factors in determining the target market. The study finds that such factors positively affect the process of targeting an attractive market. the legal and political system of the country in which the firm resides adoption and their impact on the financial reporting environment of Bangladesh considering the underlying institutional and economic factors. It argues about trade-off between the scale advantage.(designed globally by the highly sophisticated authority) and the local advantage of decentralized adaptation.

Keywords: profit, market targeting, size of market, growth, stability, competition

1.0 Introduction:

Firms or businesses exist when there is a market to serve or when there is a demand to fill. Expansion for an existing firm is a complex process much less starting from scratch. When deciding to choose a market, there are many considerations that have to be done on the manager's level and on the business level. Normally, a question on profitability will be made first. No firm or business of any kind would ever consider profit as a driving factor for making business. In the global economy's current situation, markets are now more integrated and interconnected. That gives a level of interdependence among nations and its businesses more noticeable and undeniable. This is true since targeting a market segment that is in line with expectations, preferences, and objectives gives a firm competitive advantage Armstrong outline the essence of market segmentation as a method to differentiate how consumers behave and what they need by using socioeconomic and psychographic variables Consumers are also complex as the process of finding the right market. Consumers are like sophisticated consumers but they are prone to addictions and compulsive behaviors

Markets and Select Target Segments:

Let's start with the classic segmentation concepts. To begin with, there is more than one way to segment a market. You may differentiate your customers on the basis of demographic variables (such as age, gender, education, and income), geographic variables (such as nation, state, region, and neighborhood type), psychographic variables (such as attitudes, opinions, interests, and values), and behaviors (such as media habits, purchase frequency, brand loyalty, and channel usage). Segmentation schemes have become quite sophisticated, using advanced statistics and numerous variables. For example, Nielsen Clarita's uses geographic, demographic, and behavioral data to divide U.S. households into its different PRIZM segments. Nielsen gives these segments such fanciful names as "Blue Blood Estates," "Country Squires," and "Money & Brains."4 Nielsen describes the Money & Brains segment, as follows: "The residents of Money & Brains seem to have it all: high incomes, advanced degrees, and sophisticated tastes to match their credentials. Many of these city dwellers, predominantly white with a high concentration of Asian Americans, are married couples with few children who live in fashionable homes on small, manicured lots your business, your market, and your customers. Different markets are best segmented using different types of variables and different numbers of segments. Most likely, the preexisting, generic market segmentations sold by marketing research firms will not be ideal for your situation. For this reason, you should conduct or commission segmentation studies of your own specific market starting with literally hundreds of different variables, analyzing them, and gradually winnowing the list to see which ones produce segments or groupings of consumers that are most useful.

Targeting Frequent Buyers:

The tight competition in the hospitality industry has caused many brands to focus on promoting sales from frequent guests. This strategy has become so common in the hospitality industry that it deserves special mention especially because I believe that it does not necessarily accomplish its intended goal. American Airlines led the industry's use of this strategy in the 1980s when its executives came to believe that they could increase their share of the lucrative but fickle heavy flyer segment by offering rewards tied to repeat patronage. Since then, the world's airlines have created over 70 frequent flyer programs that collectively have over 100 million members and give away 10 million rewards a year. Other travel-related companies were quick to copy this idea, so that frequency or loyalty programs have become commonplace in hotels, car rental firms, and even restaurants.21 This strategy seems sound because a small number of heavy users account for a large share of most product category sales and these heavy users tend to switch between several different brands within the product category.22 The frequent-guest program is designed to give heavy users a reason to be more brand loyal. The concept of setting up cumulative rewards for purchase frequency should provoke a favorable response from heavy users, as compared to light users because earning those rewards requires less change in the behavior of heavy users. Thus, loyalty programs do differentiate between two distinct customer groups. Beyond that, however, reward-based frequency or loyalty programs probably do little to increase repeat patronage because they are easy to copy and heavy users' lack of brand loyalty means that they often join multiple programs and collect rewards as a byproduct of purchases made for other reasons.

2.0 literature review:

[1]Iyer, Soberman, and Villas-Boas,(2005) Financial information should not only be intelligible, but also be comparable so that investment and credit decisions can more readily be taken. Over the past few decades, the accounting profession has been facing the pressure of globalization and continuously seeking the way to present financial situations using unique accounting procedures which can be understood by the entire business community policies and practices. said "a set of international accounting standards will allow new horizons of evolution due to the fact that comparative analysis of the rates of returns established based on the balance sheets and profit and loss account between the companies being in competition become relevant". The comparison, as the basic form of economical judgment can be realized only if the accounting system is unique for all the companies involved in the analysis.

[2] Acemoglu, D. and J. Linn,(2004) The government is under the process of establishing an independent oversight body named "Financial Reporting Council" to shoulder the responsibility of setting accounting and auditing standards, monitoring compliance with accounting standards, reviewing auditors' practice and reviewing reporting practices and enforcing sanctions for violations. The government should ensure capacity and effectiveness of this regulatory regime to provide a real sense of security to stakeholders. The board should focus on technically qualified personnel, practical training of inspectors/reviewers, administrative support, and necessary logistics arrangements. The IFRS enforcement bodies (the SEC and the Bangladesh Bank) should immediately enhance their expertise.

[3] Dick, A.A., Market Size(2007) Consider a market with three segments in which profitability and volume vary across the segments in which profitability and volume vary across segments, and assume that the two focal firm's possess two brands each. Furthermore, assume that the first firms serve the first two segments and the second firm serves the last two segments. Thus, the two firms actively compete in the second segment, but competition between them likely goes beyond this second segment, as there probably are overlaps across the segments as the firms could use profits from the first and third segments to feed their rivalry in the second segment. The challenge for the brand-level approach here in quantifying competition is immense. What should be the basis of aggregation—segment market shares, volume, or profits? Even if the two firms had brands in the same segment, the issue of the bases of aggregation would still be key

[4]Giroud, X. and H.M. Mueller (2012) Market growth is an indispensable market attractiveness criterion in targeting a market to which a business can flourish A location with growth can also mean sales. Growth considerations are an integral part of the decision-making process for a firm. Red and in their article explained that the decision of entering a market (foreign or domestic) or simply expanding your business should not be made unless proper evaluation of other target markets and other issues has been conducted. They further made classifications of growth (i.e. low growth and high-growth) and using growth-related variables to gauge the possible departures form an ideal target market and "are there limitations to consider in the growth of the market?" must be asked when considering growth in targeting a market If these questions get favorable answers, it will validate our claim that growth has a positive effect on targeting an attractive market.

3.0Methodology:

Research Method The main point of this inquiry is to prove the validity of a model of targeting a market using the variables of size of market, growth, stability, and competition. Furthermore, targeting an attractive market is considered one of the independent variables of gaining profit for a business. The research method used is a mix of case study method based on rational analysis (research findings that are based on the real world observation of practitioners and organizations and review centric methods. Nowadays, combining research methods is increasing the importance of achieving the goal gaining “rich theoretical insights.

Stages of Customer Behavior:

The first step is identifying and defining the five stages within the customer lifecycle: Prospects are non-customers who fit the profile of a target customer. They range in their level of interest and involvement from “never been contacted” to “about ready to buy.” First-time buyers have purchased something from your company before. Still, they’re in a trial stage, and need to have a good experience in order to maintain a steady relationship with your organization. Limited buyers have made repeated purchases, but they don’t always buy from your company. This reluctance can be traced to issues of trust, being unaware of the full line of products/services offered, and/or not internalizing their own needs as regular customers. At risk customers have become dissatisfied with or lost faith in the products or services you offer. As such, they have the potential of defecting, and moving their business elsewhere. Some at risk customers show themselves in an open manner (by a large decrease in spending) while others are more passive and covert in their approach. Then, all of a sudden, they’re gone. Understanding these five customer stages is essential to developing effective marketing and communication strategies to better manage your customer relationships.

Sales and marketing strategies:

Each of these five customer segments has its own unique set of experiences, expectations, needs and desires from an organization. In order to fully maximize the revenue and profit potential each segment holds, different sales and marketing strategies should be applied to each of the five customer types. Acquisition strategies encompass sales and marketing ideas designed to acquire new customers. The goal behind acquisition efforts is encouraging prospects to try a product/service and become first-time buyers. Activation strategies move first-time buyers to limited buyers. The core objectives include welcoming new customers, educating them to what you have to offer, and persuading them to purchase as many times as possible in order to create a consistent buying pattern. Up-sell/cross-sell strategies move customers from limited buyers to full buyers. At this point, you can encourage customers to try new product lines and/or provide incentives to reach higher spending levels. The more hooks there are into a given customer, the stronger his or her relationship becomes with your organization. Loyalty strategies recognize, reward, and say thank you to your most valuable (not necessarily "highest-spending") customers. Customers with marquee names and those who refer business to you can also be most valuable, even if they don't spend the most money.

Importance of Targeting:

A Market From this study, we can agree on the fact that targeting an attractive market solely relies on the capability of a market to "produce" consumers that are willing to pay for a certain product. The factors of size, growth, stability and competition are industry variables that can positively relate into profit growth. If market size is high, chances of profiting is high, so we can enter the same market is true with growth, stability and competition. With high growth, more stable market and more competition, the chances of profiting are also high, hence, entering the market is favorable. These implications will be helpful to any small or large firm that is thinking about expanding or penetrating a new market. On the managerial level, it must be emphasized from the results gathered that entering a healthy market also makes managerial decisions healthy. This model can also be used as an empirical model where all four factors will be the independent variables of the predicting equation. Empirical analysis will also test the significant effects of such variables to the dependent variables. This will prove further the conceptual relevance and even statistical validity and empirical value of the model. This will help the businesses, managers and policy makers alike in terms of efficiently making company decisions and policies regarding market targeting and market competition as a whole

4.0 Targeting an Attractive Market:

"Since conditions of competition that firms face are generally defined and measured in the context of markets (whether termed industry or market, and whether the markets are explicitly or implicitly defined), market definition is an essential element of studies of competition. Firms compete because they have something to compete over-the customers that they have in common. If we say that firms, which produce similar products, are competitors, we leave implicit the underlying assumption that because they produce similar products, they will be targeting the same customers

Business Plan Alignment:

Most importantly, the marketing plan must be in synch with the company's business plan. Marketing goals must be prioritized in line with the company's business goals. Marketing strategies should be based on how the company can best provide value. Demand-generation tactics must be aligned with the sales pipeline and the goals of the sales organization. Some people create their marketing plan in a vacuum and are surprised when they find little support and success in their plan

Market targeting: evaluation of various segments and selection of best alternatives.

- Segment size and potential growth
- Segment structural attractiveness.
- Company objectives and resources

Dependent Variables	Independent Variables
Targeting An Attractive Market	• Market Size has a positive effect on Targeting An Attractive Market. • Market Growth has a positive effect on Targeting An Attractive Market. • Market Stability has a positive effect on Targeting An Attractive Market • Competition has a positive effect on Targeting An Attractive Market
Profit	• Targeting An Attractive Market has a positive effect on Gaining Profit.

Following are a few things to keep in mind before you get started:

- **Target Market** is the customer group that you feel will most likely want to buy your products or services. This group is defined by your customer profile.
- **Customer Profile** is a detailed profile of your typical customer. For individual consumers, it includes information such as age, income, gender, marital status, profession and buying habits. For businesses, it includes the types of business, number of years in business, number of employees, annual revenues and products or services sold.
- **Demographics** are the characteristics of a population such as size, growth, age, income, gender, marital status and buying habits. This information helps you decide whether this target market is large enough for your products or services in the target area.
- **Market Analysis** is an analysis of research data that results in determinations about the marketability of a product or service in the given market.

Marketing growth:

Market growth is an indispensable market attractiveness criterion in targeting a market to which a business can flourish A location with growth can also mean sales. Growth considerations are an integral part of the decision-making process for a firm. Red and Salvacruz in their article explained that the decision of entering a market (foreign or domestic) or simply expanding your business should not be made unless proper evaluation of other target markets and other issues has been conducted. They further made classifications of growth and using growth-related variables to gauge the possible departures form an ideal target market "what is the current growth rate of the market or industry", "what is the growth potential", and "are there limitations to consider in the growth of the market?" must be asked when considering growth in targeting a market If these questions get favorable answers, it will validate our claim that growth has a positive effect on targeting an attractive market. The evidences that follow support this Explains that the decision of entering a market or simply expanding your business should not be made unless proper evaluation of other target markets and other issues has been conducted

Conclusions:

Targeting a market is a complex process with many variables or considerations to consider even when attempting one. Previous studies have focused largely on marketing management and theoretical assumptions of the competitive firm entering a competitive market. Market segmentation is a good departure for the analysis done in this study. With the process of penetrating markets locally and internationally an increasing concern for many firms or companies, an ideal mix of decisions and analytical precepts are tapped. Choosing a model for targeting attractive markets is crucial especially in the current global economic situation. Markets are now internationalized more often than not, and domestic firms are fast-tracking production to remain relevant in the market. This study chose four variables to complete the model. The variables used, i.e. size, growth, stability and competition, are a combination of standard and non-standard factors in measuring the favorability of entering new markets. Size of market ensures more customers or consumers buying your product (and eventually profit). Growth signals that a market is expanding and has money to spend. Stability measures the long-term health of a market, whether prices are stable enough to warrant a healthy business environment.

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