Strategies in marketing are discussed (emerging market vs. heavy-user)

Emergent Consumer Strategy

Target Media Group

What are the disadvantages of the heavy-user strategy?

Heavy users will eventually die out. Every brand has a life of use for a consumer. We know that products have a life cycle which goes from introduction, to growth, to maturity and finally decline. Up until the decline stage, a products use will increase. Then in the end the product will decline and maybe fade out of use unless it's repositioned in the marketplace to a new audience. The product life cycle mimics the life cycle of a person from birth to decline and finally death. Because every consumer will eventually die, their use of a product is finite. When that person stops using the product because of a change in lifestyle or ultimately death, they will no longer be a customer. This is the eventuality for all consumers including heavy-users.

Heavy-users of a product may contribute to more than 40% of a company's sales by some measures, but they will need to be replaced by new users if the company is to continue beyond its current state. In order to continue indefinitely, a company must constantly build on its customer base. Even heavy-users may experience life changes economically, geographically or attitude-wise that may change their buying habits. New users must be influenced to take their place.

Heavy-users may be brand loyal so, it may be hard to convince them to switch brands. If all of the promotion a company does focuses on only those who are heavy-users, it may be speaking to a limited audience. Among heavy-users, *brand names* and *habitual patterns* may be important factors in their choice of product. They will come to expect a certain <u>quality</u> and <u>buying experience</u> that means something significant. Intense competitive positioning may not be enough to counteract engrained attitudes developed over years of use.

The emergent market is made up of consumers who might become possible customers in the future.

What are the advantages of targeting this new segment?

"Their brand preferences are still under development." These consumers can one day become heavy-users if they are encouraged to *try the brand*. Marketing the brand directly to this new segment can show profit in the future. Companies look at this segment as a business opportunity. These new users will be a faithful source of revenue if the company can make them brand loyal. College-age consumers of coffee may just be entering the workforce soon and enjoy a good cup of coffee to start their day. Starting a marketing campaign to seek out this segment would prove beneficial once some have transitioned into the heavy-user category. Marketers will use various advertising techniques to attract this new audience by addressing them directly in promotional campaigns. This is referred to as point-of-entry marketing.

Reference

 O'Guinn/Allen/Semenik, Advertising and Integrated Brand Promotion, 6th ed., Cengage Learning, 2012