**1.3.5 Marketing Strategy**

**d) Marketing strategies appropriate for different types of market:**

* + mass markets
	+ niche markets
	+ business to business (B2B) and business to consumer (B2C) marketing

**e) Consumer behaviour – how businesses develop customer loyalty**

**Mass market strategies**

* A mass market is one that caters for (almost) everyone, mass marketing is the process of selling products to all consumers regardless of age, gender, etc. in the same way
* These products can be marketed to consumers all over the world in the same way
* Large quantities produced mean lower average costs means EOS, which means high profits
* Media used will be; TV, radio, newspapers, mass media
* Examples include: Perfume, pop stars, Coca cola, computers and Microsoft

**Niche market strategies**

* A market segment is consumers who can be grouped in different ways; income, gender, lifestyle, ethnicity, religion, age, interest
* A niche market is one that caters to a small subset of a segment and will target consumers in a very specific way
* Products are designed for a specific purpose
* Small turnover keeps larger firms from entering market
* Inelastic demand means higher prices can be charged
* Media used will be; specialist magazines, trade fairs, websites, word of mouth, leaflets
* Examples include; [gourmet scotch eggs](http://www.handmadescotcheggs.co.uk/index.php?route=product/search&keyword=gourmet), Harry Potter school bags, article from BBC [here](http://www.bbc.co.uk/news/business-32807137), [camel milk](http://www.dailymail.co.uk/femail/food/article-3152250/The-latest-tipple-bottle-chilled-camel-s-milk-19-bottle.html)

**B2B marketing**

* B2B stands for Business to Business marketing. Many businesses just deal with other businesses rather than consumers. For example, a school or college will have a paper supplier so they can keep giving you handouts and you can print your work out.
* Advertising needs to be informative rather than persuasive or “clever”
* This will typically involve larger transactions than with consumers (think paper again)
* Suppliers need to build up closer relationships with customers
* Focus will be on offering a quality product and a quality service

**B2C Marketing**

* B2C means business to consumer
* They are not looking to build up long term relationships with the supplier, maybe a one-off purchase like a sofa
* Consumers want a variety of distribution channels for convenience e.g. online, click and collect, delivery etc.
* Short advertising messages which clearly point out the benefits e.g. Olay face cream will make you look 10 years younger [HERE](https://www.youtube.com/watch?v=FJKPZm5GuAY)
* Emotional connection with the product or supplier

**Customer loyalty**

* Businesses have discovered that it is much cheaper to keep a loyal customer than to gain new customers through marketing
* The expression “plugging the leaky bucket” is used – where business owners should focus on keeping their existing customers with loyalty schemes, discounts and extras rather than continually trying to attract new customers
* Customer loyalty is creating a product or service that ensures repeat purchases

**Effective customer service**

Customer service can be defined as; the assistance and advice provided by a company to those people who buy or use its products or services.

This can be

* Before the purchase e.g. answering questions on the phone or by e-mail
* During the purchase e.g. on a car test drive, the sales person can answer questions on fuel economy, reliability and features of the car
* After the purchase e.g. repairs, warranties, guarantees and service plans

**Loyalty Cards**

* Loyalty cards can work in a number of ways:
	+ They can improve customer retention e.g. a coffee shop making sure customers return by offering a stamp
	+ They can also collect important data on buyer behaviour and purchase decisions e.g. Boots advantage card, Tesco Clubcard

**Saver schemes**

* Each week consumers can carry out their shopping and pay into a saver card – ready for Christmas
* They are rewarded by the supermarket for paying in. Here is the current ASDA scheme:
* Save £49 and get a £1 bonus
* Save £97 and get a £3 bonus
* Save £144 and get a £6 bonus