Cover sheet

The targeted market for MM's new product

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Memo

Demographic characteristics

The demographic characteristics of the target market are important because MM’s new product launch is dependent on that. The demographic characteristics considered for the global strategy include age, gender, education and income. It is appropriate to target the young people and region where people employment rate is high. The income of residents influences the decision of the buyers so the strategy will target the regions where average income earned is between $25,000 to $30,000. The age group targeted for the MM's new product include people having ages of 6-25 years years (Kim, 2010). This is because the MM’s will target the children and youth who are more interested in buying MM’s. The company is aimed at making candies and chocolate that means it is more practical to target children and young people.

Geographical location

Geographically the target market will include the location where youth and children are potential customers. To target the potential markets the company will consider the socio-economic, political and environmental factors. Ideal geographical location is where the company gets a high demand for chocolates. The customers want and needs vary according to the geographical locations. Such as in China the demand for candies is high that provides better business prospects for MM's. It is more appropriate to focus on a defined area such as China and Germany because it helps the company is efficient management of financial budget and resources. Considering areas of high population density also acts in favour of the company (Kim, 2010). The needs of people in the cities and urban areas are high for candies. It is important to consider the cultural and environmental factors. As similarity in consumer attitudes exists between America and Germany so it is favorable to target such markets.

It is more effective to sell at places where people enjoy better socio-economic status. Political stability is also crucial for the success of the business. Countries like China and Germany offer better business prospects due to political stability. It is important to exclude countries where potential customers are difficult to find. An appropriate way is to conduct a geographical survey by identifying the places where customer demand for chocolates and candies is high. Similarly, locations are decided by considering the economic conditions and GDP (Kim, 2010). It is advisable to target potential markets where economic conditions are good. Political stability improves the possibilities of financial settlements for the companies. strong governments provide better opportunities for business to foreign companies.

Psychographic characteristics

The psychographic characteristics stress on identifying the lifestyle choices of the consumers. It is this important to determine if the product will appeal to the consumers or not. This will include the potential market where the demand for chocolates, nuts and candies is high. Because MM's is selling chocolates and candies so the regions where demands are high will provide the scope of business growth. Psychographic characteristics depict the need for determining buyers habits and spending habits. Considering the global markets, China is the second largest where people spend a significant amount on candies. The statistics depict that in China the population consumed 4.7 million pounds of candies in 2016 (Lin, 2002). Germany is also known for high consumption of candies (Ouyang, 2017). The company will thus target China and Germany for maximizing customers. It is crucial to identify how consumer lifestyle choices will impact their decision of buying MM’s products. This also includes the assessment of the values and beliefs of the population of the targeted location. The places where people have beliefs of fulfilling the demands of children offer better prospects for the business. Similarly, the positive attitude of the population towards children also improve market prospects.

Behavioral characteristics

The decision of selecting the potential consumer markets also rely on behavioral characteristics. Consumer behavior has a significant impact on their buying attitude. What consumer purchase reflects their need and preferences. it is critical to consider the past behavior of customers in a specific location for determining future trends. The company must possess a good understanding of customers behaviors because it affects the business and selling activities. Marketing campaigns are used to targeting people in specific locations. Countries, where economic conditions are stable, will offer better opportunities for earning revenue. The incomes and employment status impact decisions of the customers. The company will thus aim at the locations where the unemployment rate is low and people enjoy a certain degree of purchasing power. In China and Germany, purchasing power is significant that will encourage customers to buy MM's products. A positive economic environment means more chances of generating revenue. This is because income has profound impacts on the spending capacity of citizens (Lin, 2002). The purchasing power will be estimated for confirming that the customers will be able to purchase MM's products in future.

Personal preferences also affect the purchasing decision of consumers. It is critical to conduct a consumer survey for identifying preferences of customers. This will yield information about the regions and markets where people will be willing to spend on MM’s. People in China and Germany spend a considerable amount of their incomes on food and consumption of candies and chocolates is high. This makes them an ideal place for global marketing. In the targeted markets the clients show high preferences for buying MM’s products.

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