

Consumer Behavior/ Market Analysis Report

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This paper explains the consumer and market analysis report for Health and Beauty Company. It is private firm that deals with manufacture, sale and distribution of different types of toothpaste. Due to the changing customer needs and demands, the company invented a new brand of toothpaste in 2014, called Magi Herb toothpaste. It was officially approved to be fit for human use and sold in the consumer market in 2015. This brand of toothpaste serves the purpose of cleaning and whitening teeth. One of its advantages is its ability to inhibit tooth decay and bad mouth odors. This is because of its active ingredient that kills harmful bacteria in the mouth (Struhl, 2013). The other advantage is that it can be used by all people irrespective of age or class, since it is relatively cheap and readily available. It is also available in various flavors to suit the changing customer preferences.

The target market for this product is urban areas since the sales are high in the urban compared to the rural areas. This could be due to the differences in cultural behaviors in the two settings. This shows that people in urban areas are more aware of the product and its benefit than in rural areas; hence increase in sales in the urban areas (Sarli & Baharun, 2011). The other factor is that most of the residents in rural areas are less educated and lack the concern and interests of comparing what is the best product in the market in terms of product benefits apart from the cheaper brand. The other targeted groups in the market are the educated people since they are well aware on the benefits of good health, and are able to make informed choices.

Factual appeals are more real and efficient to the different market segments since it helps in promoting the value and transparency of the company making the product. It also attracts more consumers since it appears to be the real product and not a counterfeit one. The other

benefit is that the consumer will be able to differentiate it from other similar products in the market. Emotional appeal uses manipulation methods to influence an individual to buy a product or service, which is not well recommended when it comes to matters affecting a person's health. It might lead to serious litigations in the event that the consumer did not get satisfied with the product (Peterson & Smith, 2015). Considering the fact that the targeted market are the educated people and those living in urban areas, they are more aware of their rights, and what they need to buy, so using emotional appeal will be a drawback to the sale of the products.

One of the major American values targeted with Magi Herb toothpaste is that of individuality. Americans are encouraged at an early age to be independent and to cultivate their own goals. This is evident in Health and Beauty Company, when it came up with its own product, Magi Herb, upon identifying a problem in the society, which needed the toothpaste as a solution (Struhl, 2013). The other value targeted with the product is its privacy, the product is selling globally but only the manufacturers at the company know the tricks behind its manufacture and high demand in the market, they are defending their intellectual property rights. Equality is other value targeted with the product. Americans believe in equality irrespective of one's color, race, religion or status in the society. Likewise, Magi Herb was made to suit everyone in the society, including children above the age of twelve years.

The other value is that of success and hard work. Americans always compete with each other, in terms of performances and innovation. It is seen that a competitive inspires an individual to work even harder. This is seen with the rise of similar products like Magi Herb in the American market, which is encouraged since it makes Health and Beauty Company improve its products too, for it to remain competitive (Peterson & Smith, 2015). The other value is that of entertainment and cheerfulness. For one to be happy, the person must be fit and healthy, which

encourages one to have some form of entertainments either with friend or families. Healthy living is achieved through health practices, and one of them being regular cleaning of ones teeth, and that is where the use of Magi Herb toothpastes comes into place.

When targeting these values, many ethical considerations have to be reflected. The first one is the ethical principle of beneficence, which states that, ethical theories should strive to provide the greatest amount of good events in the society, since good things makes most people happy. Therefore, Magi Herb toothpaste should provide the largest amounts of benefits to the consumers with little harm as possible (Peterson & Smith, 2015). The other one is respect to autonomy, which elaborates that people should be allowed to make choices that relate to their ways of living. In these sense, the consumers of the product have a right to make personal choices on what they want. The other point is that, there should be equity, just and fairness, when distributing the products throughout the market, because it has greater benefits than the other brands in the market, therefore, it would be fair if it is accessible to all the customers who need it.

Economic indicators influence decisions of shoppers, entrepreneurs, government administrators and all the people in a given society. Considering the fact that the American economy is growing after the fiscal crisis in 2007/2008 the rate of personal income is increasing with increase in employment opportunities (Gorman, 2015). Despite of tough economic indicators, the use of Magi Herb by the consumers is still relevant to them. This is because personal hygiene is a basic necessity, that must be adhered to always to avoid health complications like tooth decays. The risks of increased tax to products like Magi Herb do not deter customers from buying it because it is packaged in different sizes with varying prizes, therefore an individual can opt for the cheaper one when reducing the rate of spending.

Due to fluctuating economic indicators, consumers are more aware of saving their money for use in hard economic times, therefore many consumers resolve for looking for promotions and better cheaper brands through internet services. They also prefer shopping online since it is cheaper than other shopping options. It is due to this concern that Health and Beauty Company resolved to online marketing and promotions of its products. Attitudes of customers towards products in the market change with the economic situations at stake, but they have to purchase basic necessities like toothpaste and other cleaning materials since good hygiene is paramount in every society (Gorman, 2015). This is an advantage to Magi Herb because of its fair prices compared to other brands. The other aspect that influence consumer buying is fraternal consumption, people prefer to share and compare information about a product before buying it, which is influenced more by the rising roles of social media in advertising. This is another benefit to Magi Herb since it is preferred by most people internationally, thanks to social media advertisements and promotions.

The use of Magi Herb is not dependent on the economy of the state since it is one of the basic necessities in the society. Americans value personal hygiene and good health practices, so irrespective on the economic level they will continue to buy it. The only problem is that they might opt for the cheaper small sizes, depending on one's income. This might hurt the sales in the company because the profit margin will be less compared to when all the varieties of the product are sold equally. The consequences of low gross margin can have negative impacts in the company's growth and expansion (Peterson & Smith, 2015). This means that the company has less money for its operational costs including expenses like payment of salaries and marketing services.

Failure to correct the problem, the company will have to close down due to lack of proper management practices that led to the rise of the problem. This means that the production, sale and distribution of Magi Herb will eventually come to an end, a very undesirable situation since it is of utmost benefit to many people in the society. To avert this, the company has to undergo a restructuring process, by eliminating less performing departments and personnel in order to reduce costs and increase gross margin (Sarli & Baharun, 2011). The other means is by pressurizing sales department to improve on their performances with the aim of helping the company achieve the desired goals. The Magi Herb toothpaste will only remain a competitive product if the company takes comprehensive measures to increase the sales level since consumers will not be forced to buy more than what they earn.

The use of Magi Herb will be a success in an urban cultural setting because of the awareness of the importance of good personal hygiene and freedom of selection of a product. Many people in urban areas can easily access the basic commodities because of the presence of many shopping stores. They are also well educated and are able to make informed choices when buying a product (Struhl, 2013). These will therefore be an advantage to Magi Herb since it well marketed and people will be interested in buying it. The opposite applies to a rural cultural setting where majority of the people are not well informed of the available choices in the market, and the best products in terms of benefits and not appearances. Magi Herb will therefore be a failure in a rural cultural setting, unless changes are made to suit people in that setting. This can be improved by creating awareness through charity events and promotions.

Geographies and nationalities with great volcanic activities will not be interested in purchasing Magi Herb because of many reasons. These geographies have varying levels of fluoride in its water because of the interference of trace elements by the volcanic activities. It is

well documented that when the amounts of fluoride consumption by an individual are too low or too high, detrimental physiological magnitudes may result, like discoloration of teeth, fluorosis or dental carriers (Gorman, 2015). For regions with low fluoride levels, there is need of supplying fluoridated toothpaste so as to reduce the occurrence such negative impacts in the society, and for regions with high fluoride levels, there is need of supplying non-fluoridated toothpaste. However, Magi Herb does not have the two varieties of toothpaste, which is the reason why it will be disregarded in the nationalities with high volcanic activities.

In order to improve Magi Herb's appeal to different cultures, Healthy and Beauty Company has to have many organizational changes. The first one is ensuring that they listen to their customers' needs and demands before selling their products in diverse cultures. This can be done by conducting global survey on the consumer likes and dislikes in different cultural settings (Peterson & Smith, 2015). The other aspect is paying attention to consumer feedbacks, by responding to any complaints or inquiries on time through reliable methods of communication.

The other aspect is introducing products that suit different geographical regions and settings. For example the introduction of both fluoridated and non-fluoridated Magi Herb toothpaste for regions with varying levels of fluoride. This calls for continuous product improvements and innovation so as to meet the changing customer preferences. Considering the packaging of the products, the company should reflect on human wellbeing and environmental influences of its packaging systems (Peterson & Smith, 2015). It should be made of easily biodegradable materials so as to avoid cases of littering after the use of the product. Apart from that, the packaging materials can be designed in such a manner that they can be recycled and reused while at the same not compromising the integrity of the packaged product.

Subcultures are the principles and standards that are similar to those widely held in the society, and are considered by a group within a broader society. Different countries have different cultures which influence customer preferences and satisfaction. United States of America has different cultures and subcultures due to its diverse population. One of the subcultures in America are the survivalists, who are known to be spending most of their time reading, coming with inventions and preparing for the end of the world (Struhl, 2013). They are learned people in the society and most of them are concerned with environmental protection, and are against terrorism. This category will desire and promote the use Magi Herb toothpaste since they always support innovation and other ways that reduce problems in the society.

The other one is hardline subculture, the members in this subculture refrain from alcohol use and other related addictive drug use, with a lot of emphasis on respect to blameless life and natural order. This category will also desire the use Magi Herb toothpaste since they are concerned with good healthy life, and natural products (Sarli & Baharun, 2011). The subcultures which might not desire the use of Magi Herb toothpaste include the furries, the otherkin and the pro-Ana categories. This is because they are after their own selfish interests and do not want to interact and share ideas with other people apart from members from their subcultures. For example, the furries are fascinated in creatures with human physical characteristics, and regularly supporters meet to display their fursuits, attires, music or even furry talents. They are not concerned with what has to be done to improve the society. The otherkin on the other hand believe that they are more than humans and that they have mystical powers, for example, their ability to recover faster from an illness than other normal people. It is evident that it will be very difficult to convince an individual from this subculture to purchase a product they have not been using in their cultural setting.

It is evident that particular age groups, sexual category and religion understand Magi Herb toothpaste from a different perspective compared to other consumers. This is because of the misconception that the product has not been scientifically proven to be safe for use. There are different ways of combating the misconception, which includes comprehensive marketing and advertisements of the health benefits of the product (Peterson & Smith, 2015). Tagging on that is conducting market research on consumer expectations and preferences. Health and Beauty Company must consider the feedbacks from customers from different cultural settings before distributing their products in different regions of the consumer market.

To improve the company's profitability, Health and Beauty Company will have to come up with strategies that will improve its market share and competitiveness. The first is combining innovation of the product with efficient integrated advertising that suits the diverse consumer market (Sarli & Baharun, 2011). The other way is educating pharmacists in the different regions on the health benefits of Magi Herb toothpaste, and providing samples to be used for display in the chemists, with the aim of communicating the message to customers. This aspect will enhance the medicinal value of the toothpaste and also promote the recommendations for use in the various chemists, hence promoting both consumer awareness and company sales.

The company can also partner with dental professionals to provide oral health education with unrestricted dental screenings in schools and vulnerable people in the society. This will not only promote healthy living but also assists in marketing of its products. The other aspect is partnering with retailers who are more familiar with the consumers in a given environmental set up; they also have the capacity to influence the type of brands the consumers will buy (Peterson & Smith, 2015). The retailers will help in distributing the products from the manufacturer to the

consumer, making the product more available to the consumer, a factor that improves sales for both the manufacturer and the retailer.

In order to maximize profits and reduce production costs, the company will enhance its savings through internal production of packaging materials and labels. This will enhance both efficiencies and effectiveness of the management of all the resources in the company. Finally, with aim of promoting sustainability and the readiness of solving future challenges that affect the sale of the product, the company has to ensure that it has the best talents through provision of good working environments and training facilities (Struhl, 2013). It should endeavor to develop leaders in the company at all levels that are willing to promote the production and sale of the products.

Marketing mix is the set of manageable marketing strategies that organizations use to produce the desired goals and objectives. They are product, price, place, and promotions. The product is Magi Herb toothpaste, the price is the amount the customer exchanges in order to get the product, which is at considerable range to other similar products in the market, while the place entails the processes through which the products are moved from the manufacturer to the consumer, the company has efficient distribution channels that ensures that the product reaches to consumers in rural areas (Peterson & Smith, 2015). Promotions entail the methods used by the marketer to advertise the products. A good marketing practice ensures that all the four factors are considered when marketing a product. The target segments in marketing Magi Herb toothpaste are the demographic, socio-economic and psychographic experiences of the customers.

The main aim of marketing strategies is to increase company sales and the competitiveness of the product marketed. The major disadvantage is that it is always costly to

conduct marketing especially in the global market, and it can be very disappointing if the results are not positive (Sarli & Baharun, 2011). The major advantage of the marketing strategy used in Health and Beauty Company is that it gives the company a measure for allocating resources. It also assists in scheduling the marketing based on designated measures and enhances the implementation of company goals. The other advantage is that, with the knowledge on the type of marketing plan, the company can conduct preliminary research with the main aim of achieving customer satisfaction. The disadvantage of this strategy is that it will require the company's investment on time to complete the research on the different factors considered while marketing.

## References

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