WEP Warwick Evans Publishing

International Journal of Global Economics and Management

ISSN: 3005-9690 (Print), ISSN: 3005-8090 (Online) | Volume 6, Number 3, Year 2025
DOI: https://doi.org/10.62051/ijgem.v6n3.18
Journal homepage: https://ijgem.org

Development Trends That Will Have a Major Impact on Marketing Strategy in the Next Decade

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ABSTRACT

This paper explores the evolving role of strategic marketing management in the highly competitive and globally integrated market environment. It highlights the importance of the STP (Segmentation, Targeting, Positioning) model in crafting effective marketing strategies for long-term sustainability. The article outlines the significance of market segmentation, where companies divide markets into smaller, manageable units to better cater to consumer needs, and the benefits of targeting specific consumer segments based on purchasing power and preferences. The paper further discusses the process of positioning products in the minds of consumers, emphasizing how a product's unique qualities can create a strong competitive edge. Using the STP model, the paper provides insights into how businesses can navigate market trends and adapt their marketing strategies to sustain growth and enhance profitability in the coming decade. Overall, the article stresses that well-executed marketing strategies are vital for companies aiming to thrive in an increasingly competitive global marketplace.

KEYWORDS

Market Segmentation; Target Market; Product Positioning; Competitive Advantage; Strategic Marketing

1. INTRODUCTION

With the continuous development of the market economy, increasing numbers of companies are beginning to pay attention to the market, studying the market and competing with each other for the market. In addition, with the development of global economic integration, the same market is competed for by different companies from different countries, which further increases the competition in the market. The development of this trend requires companies to improve their marketing management so that they can have a sustainable competitive advantage in this highly competitive market. In response to the marketing environment, their specific strengths, market competition and other aspects of the company to conduct detailed research, and combined with these points for the company to seek the most suitable development direction and strategy, so as to help the company itself to constantly adjust their own business and product type, in order to look forward to bring the company better development and maximize the benefits [4]. These are all part of the strategic planning of marketing management. The management of the company is paying more focus on marketing strategy. Therefore, this article will analyse the developments that will have a significant impact on marketing strategy in the next decade, specifically in three specific areas through the STP strategy model.

2. MARKET SEGMENTATION

A very important first step in the strategic planning of marketing management is the market segmentation of the market. In the STP strategic planning model, it is stated that by analysing the current market demand, the purchasing power of consumers in a certain social environment, and the preferences of consumers shopping in the current market, and by finding some similarities in the market demand through the analysis, the market will be divided into many sub-markets [5]. Some research suggests that each group of consumers with similar needs comes together as a collection, and each collection becomes a market segment [5]. As an example, if a cake shop sells two types of cake, cream cake and cheesecake, then the prices of these two types of cake are different. Since the cost of buying the same amount of cheese and cream for a cake shop is different, the purchase cost of cheese is much higher than the purchase cost of cream, therefore the selling price of cream cake is lower than the selling cost of cheesecake. Then, the cake shop can divide the cakes into two types for different levels of consumers, one type is the cheesecake which is aimed at the higher end of the consumers and the other is the regular cream cake which is aimed at the mass consumers. This initiative by the bakery is the equivalent of segmenting the market for cakes.

From the above example it is clear that the benefits of using a marketing strategy to organise the market into smaller units are that there will be very little piling up of products as a result of mass production of a product that appears to be selling well, which reduces the pressure on the company [1]. In addition, some of the products in the company that sell in average volumes are not sidelined by those that sell in large volumes and bring the company great profits [1]. This method also allows the manager responsible for a particular product development to have more time to develop their own product with the manager, which allows the manager to maintain their focus and energy [1]. Therefore, market segmentation is an excellent organisational technique. In addition, it is important to note that companies should segment their markets in such a way that the products in the different segments are technically relevant [1]. This is because it facilitates the sharing of the technical of advantages of the company and its human resources among the different products, for example [1]. If a new product is not technically relevant to a traditional product, the company needs the new product to have specific features for a particular market and customer [1].

A strategic business unit derived from market segmentation needs to have a number of characteristics. The market segment should have a separate business and this business should operate in a way that is separable from the operation of other businesses; There are different small tasks in a separate operation in one of the chain of companies, which are aligned in direction with their matching operations; They have their own competitors or potential competitors, for example an ordinary cream cake from one company may not be as popular with consumers as a new plant based cream cake from another company; This market segment should hold a certain amount of resources; This market segment has its own leadership team, for instance in the areas of product monitoring, cost control, and strategic planning, which is managed by dedicated personnel; This market segment can be expanded with other new businesses related to this business, and more [1].

3. TARGET MARKET POSITIONING

The second step in the strategic planning of marketing management is the positioning of the target market of the company. The target market of a company actually refers to the strategic objectives of the product for the company itself and the development plan for the company, taking into account its own characteristics and the characteristics of the market [3]. This strategic objective and development plan is in line with the long-term development needs of the company and its ability to provide products and services, and then identifies the target market. As a general rule, if a company has a high market share for a product, subsequently it will have a high profitability for that product [3]. As a result of the "bandwagon effect" on the market, this refers to the fact that consumers will flock to the products that everyone is buying and the company will become a high brand awareness company with a large scale [3]. This product is generally a star product with high market share and high market growth, or a cash cow product with high market share and low market growth.

The manager can help the company assess whether different products are more or less attractive to consumers in the market, through market research, and based on this research the company selects the main customer groups to serve [4]. Here the camera is sold on the market as an example. A study found that around 33 percentage of consumers would like to be provided with a camera that is both cheap and usable by the manufacturer; Consumers who want good quality at an affordable price are the most represented, with roughly 52 percent of these people; Nevertheless, it is only about 16 percentage of consumers who expect manufacturers to provide them with high quality, lightweight and portable, aesthetically pleasing, durable, high quality, fully automatic, multi-lens cameras [4]. Hence, if a company selects a target market of 16 percent of consumers, then being the first to market with a camera that meets the requirements of this group will be a big chasing with consumers, the market share of this product will then increase rapidly.

On the other hand, there is no single company on the market that can satisfy the needs of the entire, they do not have enough financial and human resources to satisfy the entire market and therefore the company should not aim to be too ambitious [4]. As a result, if a company does not want to take the wrong path in the market when developing its own strategic marketing management plan, it must exploit its own strengths and avoid its own weaknesses, and find a target market that allows the company to take full advantage of the human, financial and material resources available to the company [4].

4. MARKET POSITIONING

The third step in strategic planning for marketing management is market positioning. Marketing positioning means the design of a product in order to give the product a unique and valuable image in the minds of the target customers of the company [2]. The image of the product can be perceived by the customer as distinctly different from other products. For example, the manager of a cake shop can emphasise that the raw materials they use to make their cakes are plant-based fresh milk, which is not oily in taste, and green and healthy in terms of their business philosophy and company values. In the second place, with the development of the Internet, people live in an age of information explosion and the Internet sends different kinds of advertisements to people every day through mobile phones, computers and radio; In terms of advertising, people receive different styles of advertising every day, such as TV commercials, lift advertisements, newspaper advertisements, street advertisements, among others, which are seen by people in a variety of ways; At the same time, in terms of product range, there are many sub-products derived from one type of product [3]. In the case of televisions, there are different screen sizes, different shapes, different thicknesses, different resolutions, and more. Consequently, this highlights the importance of market positioning, where companies clearly inform consumers of what makes their products most unique and advantageous, which is particularly important to them [3]. Changing the price, packaging, name and more of a product of a company is essentially about gaining the approval of potential customers, and market positioning requires a company to position its products as close as possible to the needs of potential customers, requiring it to work on the psychology of the customer, and therefore market positioning is a process of recreating existing products [2]. The company uses this marketing initiative to attract customers and to increase sales of product for the company. Therefore, market positioning allows the needs and personal preferences of consumers to be targeted by the product and promoted through marketing campaigns so that consumers can perceive the presence of the product they want to get.

5. CONCLUSION

In conclusion, the above evidence suggests that the strategic planning undertaken in marketing is essential and that marketing planning by the company has had many positive effects on the growth of the company. This article uses the STO strategy model as a framework to illustrate the trends that will have a major impact on marketing strategy in the next decade by detailing three aspects: market segmentation, target market positioning and market positioning.

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