

CHAPTER 33 :Niche Markets

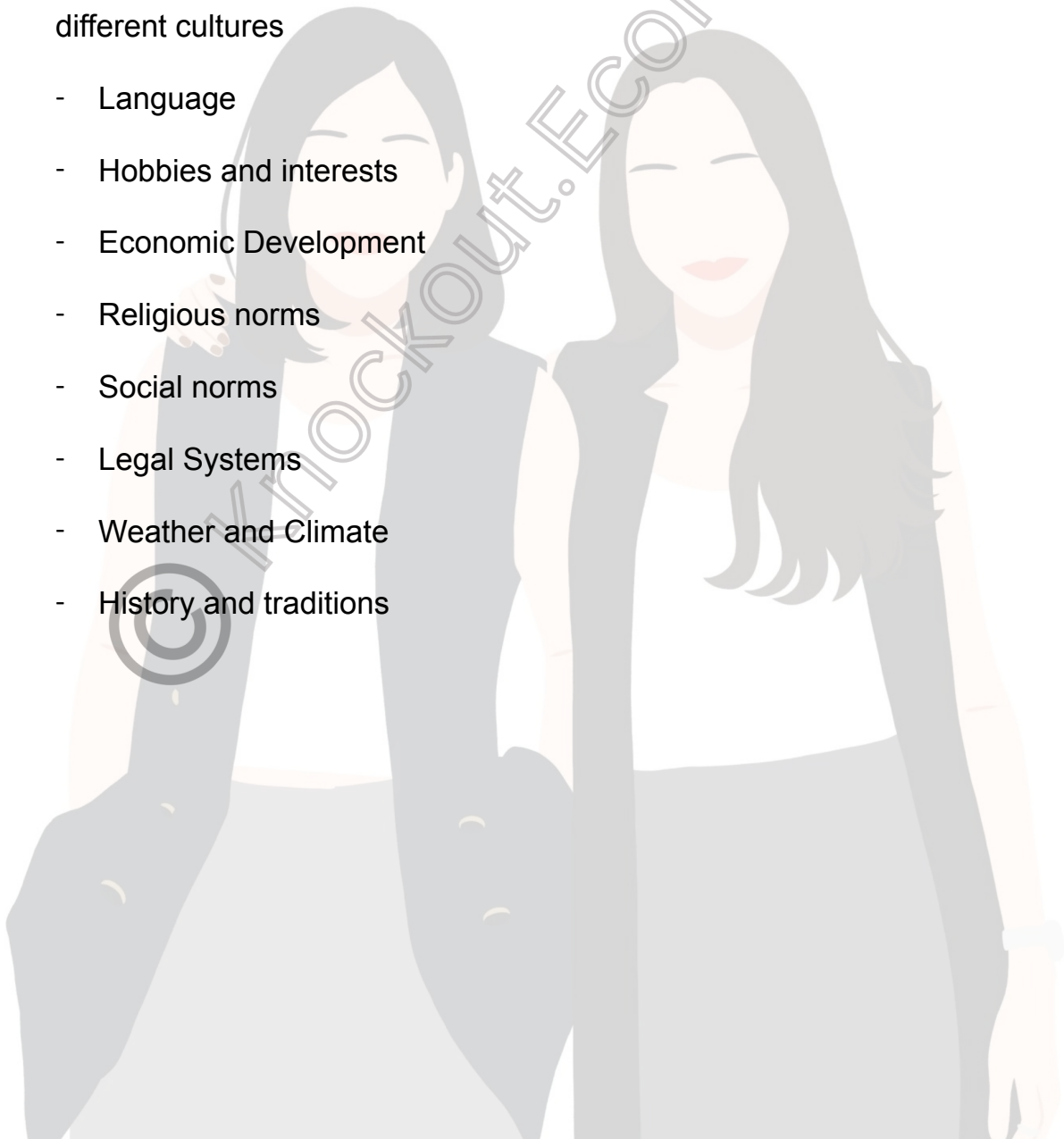
1. Global Niche markets

: they target a very specific range of people, often referred to as target a very specific range of people, often referred to as subcultures. → common interests or hobbies.

2. Cultural Diversity

: Any business that plan to push its sales into global markets needs to understand that groups of people living in different countries may have different cultures

- Language
- Hobbies and interests
- Economic Development
- Religious norms
- Social norms
- Legal Systems
- Weather and Climate
- History and traditions



3. Features of global niche Markets

Some of the key features of global niche markets are outline bellowed

- 3.1. **Economies of scale** :If target domestic niche cannot achieve economies of scales BUT if target a global niche market → could be economies of scales . However, if it is necessary to adapt products to meet cultural differences, for example, the opportunity to exploit economies of scales is reduced.
- 3.2. **Limited competition** : The levels of competition in niche markets are often lower.
- 3.3. **Premium Pricing** :Business selling products in global niche markets can often charge premium price due to lack of competition.
- 3.4. **An emphasis on quality** : It is common to find high quality of products in global market → Consumers in some global niche markets are very wealthy and are prepared to pay high prices for artisanal craftsmanship. Global Niche brand → Gucci / Rolex etc.
- 3.5. **Focus on profit** : Businesses serving global niche market are likely to be more profit-orientated .
- 3.6. **Brand Loyalty**:

4. Application and adaptation of the marketing mix to suit global niches

<p><u>Product</u></p> <p>: Global niche products often place an emphasis on quality . eg. Luxury car / Pen / Luggage / Watches</p>	<p><u>Price</u></p> <p>: Charge higher prices for products that are not intended for the mass market.</p> <p>: Business charge more price in niche since demand inelastic</p>
<p><u>Promotion</u></p> <p>: Promotions also have to consider language differences that might exist between countries.</p> <p>: However, sensitive to national and culture may impact on price and how competitive a product is.</p>	<p><u>Place</u></p> <p>: Network of exclusive dealer are a common method of selling products to global customers.</p>

