**Niche V Mass marketing**

Very few if any markets are homogeneous (the same throughout), **there are always segments or niches within each market**. For example within the toothpaste market, segments that are concerned with value, cosmetic appeal, children's health issues, style

etc. exist. This segmentation means that firms are able to take one of two approaches to a market.

**The first approach is Mass Marketing**

In this instance the whole or vast majority of the market is targeted. But because of the separate segments within the market, a range of different or seemingly different products must be used to appeal to the whole market.

**The second possible approach is Niche Marketing**

In this case a firm will target a single niche or segment, within the market, ignoring the rest of the marketplace.

We can see both these approaches occurring in the toothpaste market. The larger firms such as Smith Kline Beecham, will market several brands of toothpaste, with the objective of appealing to a wide of range as consumers as possible. On the other hand, Arm and Hammer toothpaste, the companies only UK brand, is a product aimed at a specific niche in the market. Both firms are successful in what they set out to do, and in the short term at least there is room for both marketing approaches.

**Mass Marketing**

We are surrounded by mass market firms. Multinationals aiming to maximise economies of scale by producing and selling huge quantities, provide the bulk of the goods and services that we consume. Mass marketing is one of the success stories of the 20th century.

Companies like Ford, Proctor and Gamble, Van Den Bergs, produce ranges of products aimed at targeting as large a proportion of the total market as possible. They achieve this by using two methods.

Firstly product width. This means selling a range of similar but differentiated products. So Proctor and Gamble will market several brands of soap powder, each targeted at a different segment of the mass market. By doing this they cut costs, though economies of scale, and through the use of advertising, establish a range of brands each with different values in the mind of the consumer.

The second method of appealing to as much of the market as possible is product depth. This means making each product available in a range of sizes, packs etc. So we have 3 sizes of soap powder pack, targeting for example, singles, couples and large families. Mars will sell Mars Bars as a single bar, king size bars, 5 packs, snack size packs etc. Again covering a wide as possible market spread with little extra cost.

**Advantages of Mass Marketing**

Maximises income

If one sector declines this is likely to be compensated for by growth in other sectors.

Allows reduction in average costs through economies of scale.

Allows Brands to be used to their full value.

**Disadvantages**

Heavy advertising costs- both to establish brands and keep them in public eye.

High development costs of products.

Competition is often fierce.

Companies must be market orientated - this brings high innovation and market research costs.

**Niche Marketing**

Often there is not a simple choice between mass and niche marketing, after all appealing to and developing products for a mass market is an expensive business. Smaller firms will therefore have to accept that aiming for specific niches may be their only option.

The idea of niche marketing has made a come-back in the 1990's and any quick glance at a baby mag, women's mag, or the classified pages of any national paper, will show how many firms are targeting niches that they have recognised. Recent examples have shown how successful this type of firm can be. Mothercare, mass marketing children's clothes, have recently announced the closure of many stores, (May 1999), their market has been lost to specialists and niche market companies such as Baby Gap,

Niche Marketing has advantages and disadvantages.

**Advantages**

Lower initial cost - especially in relation to advertising.

Able to concentrate on company strengths - product can be developed from what the business is good at, and then a niche targeted.

Competition may ignore the niche, either because of lack of awareness or because it is too small for large firms to focus on.

Firms can gain expert knowledge of the niche - giving them a real advantage over potential competitors.

**Disadvantages**

Market niches can disappear as a result of changes in economic conditions, fashion or taste - having all your eggs in one basket.

Mass market firms can target the niche if it grows in value or size - small firms may find this competition impossible to deal with.

Niches are not always neat little market sectors, they may be spread geographically or otherwise, making targeting and promotion difficult or expensive.