

Title: INTERNATIONAL MARKETING

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BACKGROUND TO STUDY

The success of J.K. Rowling's Harry Potter fantasy novel series has seen the books translated into 67 languages with 400 million copies being sold globally. Following the sale of the film rights to Warner Brother's eight films were launched, with the final film – Harry Potter and the Deathly Hallows – Part 2, earning total global earnings of US \$493 million.

The international appeal of both the books and films is evidenced by the fact that the final film was released in 58 countries. In addition, Harry Potter fans have also taken the wide range of licensed products to their hearts with video games, audio books and breakfast cereals among the more than 400 licences which have been granted,

Latterly, the launch of Universal's Harry Potter theme park '*The Wizarding World of Harry Potter*' in Florida has recreated scenes from the films and the Warner Bros. Harry Potter studio tour in London has allowed fans to go behind the scenes in the studio where the films were made.

AIMS OF REPORT

I am assigned with preparation of a report for *Association of Toy Manufacturers* on following specific issues:

- Evidence of the existence of a 'Global Kids' segment
- Recommend ways in which such a global segment could be targeted

In this report, I will analyse and discuss the presence of a global kids segment and recommend the ways in which global kids segment can be targeted.

MARKET SEGMENTATION

According to Lynn (2002), market segmentation is the process of dividing a market into smaller uniform groups with similar characteristics and needs. This is not arbitrarily imposed but derives from the recognition that the total market is made up of subsets called segments.

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According to Roberts (2004), market segmentation is to segment or divide the total market that exists for a homogeneous product in different markets (consisting of consumers with similar characteristics), and then select from these markets resulting from the market or markets that are more attractive to venture (Lippke, 1989, pp. 35–58).

The reason for segmenting the market is that the total market that exists for a product is so wide and varied, it is not profitable to adapt our product to every type of consumer that may exist in that market. It is reasonable to identify types of consumer similar characteristics, select the group more attractive to our business, and focus only on him, specialise in it. Direct our product or service only to him, thus achieving greater effectiveness (Linn, 2004).

GLOBAL KIDS' SEGMENT AND EVIDENCES

Children are an important target audience for marketers because they have their *own purchasing power*, they influence the purchasing decisions of their parents and they are tomorrow's consumers. Witness of expenses incurred by the toy industry for advertising aimed at children has exploded over the last decade, from \$ 100 million in 1990 to over \$ 2 billion in 2000.

According to Roberts (2004), young people today enjoy greater independence within the family. They have a decision-making power more important than previous generations. Therefore, they verbalise more of what they want. "*Power to annoy*" refers to the ability of a child to harass her parents until they buy a product they would not have bought otherwise. Marketing to children also put on this powerful tool (Moore, 2004, pp. 161–167).

According to the authors of *Kidfluence*, a book on the marketing industry published in 2001, there are two categories of harassment: persistence and importance. Harassment of "perseverance" (a claim repeated again and again) is not as effective as the more subtle harassment said "significant". This method uses the parents' desire to offer what is best for their children and plays on the guilt they may feel for not spending enough time with their families (Harrison, 2005, 1568-1574)

The "*kiddie market*" includes children from birth to preschool. This group overlaps at its upper end with the "*student segment*," whose population is quite large due to the high level of secondary and tertiary education. Then you can identify a "*youth segment with economic independence*." It includes those who enter the labour market after graduating from high schools or universities (Linn, 2004).

According to Lynn (2002), when these young people marry, they substantially change their consumption patterns. The reason is why we can speak of a "*mature segment*," which runs until the retirement age or retirement. From this age onwards identify the so-called "third age segment" or silver market as it is known in Japan (Nebenzahl, 1998, pp. 805–815).

To be sure, the age ranges of both segments arise primarily from educational systems and labour force. It was understood that to effect orderly analysis of the various groups and study their behaviour, the age factor as a basis for segmentation model. It would be consistent from a methodological point of view. It facilitates the use of some statistics to predict future trends, without prejudice to other variables such as sex, family structure, location, income, lifestyle, etc. also considered where appropriate (Lippke, 1989, pp. 35–58).

According to Roberts (2004), insertion into the labour market is also systematic, since the vast majority starts working steadily between 18 and 22. It is depending on whether high school or university graduates. The rise in the various echelons of the organisation to which they belong, the level of wages is based primarily on seniority. The age is a variable that can capture a series of characteristics in the labour segment (Nebenzahl, 1998, pp. 805–815).

The books, of course, has become much more towards the end of the series. Movies do not do the same and certainly cannot. This means that more is crammed into each film and after some decisions about the content. The plot is difficult to understand. These types of questions on land issues should be thrown back in the novel—indeed, the question of *who is the Half Blood Prince*, is not convincing in the novel and works not on the screen. The property of Potions book became one of the least urgent of the film. In fact, it would be very difficult to get the latest Harry Potter, unless you had read the novels, especially taking into account the deletion of the plots in Harry Potter and the Half Blood Prince (Moore, 2004, pp. 161–167). This movie is for fans of the books, a big-screen representation of a lucrative brand. The franchise overall effect gradually diminishing, however, and withstand Potter Hogwarts fans back twice with the same expectation that the first exit. This film simply cannot stand on its own, without reference to previous films and books. They raise a number of questions about the function and role of adaptation in these great franchises *Harry Potter cultural concept*.

The *Children's Book Publishing industry* is characterised by a high level of concentration, with the top for publishers accounting for 73.6% of industry revenue. Major player *Scholastics* has the largest market share of all competitors. Concentration has been increasing as major book

publishers dedicate more resources toward publishing children's books, particularly within the young adult product segment.

According to Lynn (2002), many of these companies are investing in their brands and marketing toward a growing segment of the Children's Book Publishing industry. It is a way to earn faster return on investment. Furthermore, publishers will look to enhance their digital capabilities by acquiring firms that specialise in new media.

As large competitors acquire niche children's book publishers, industry concentration will increase. As well as Scholastic, other major players include News Corporation, Bertelsmann AG and CBS Corporation (Nebenzahl, 1998, pp. 805–815).

Another trend in the *Children's Book Publishing industry* is the increasing marketing efforts toward adults in the wake of popular best-selling series, such as Harry Potter, Twilight and, more recently, The Hunger Games. Kaczanowska adds that

"Although increased marketing and digital development investments have eaten into publisher profit in the past five years, such investments are projected to boost profitability in the next five years." (Nebenzahl, 1998, pp. 805–815)

Rosamund de la Hey, head of children's sales at *Bloomsbury*, said a specific "happy hour" for the launch meant children would have no excuse for getting absent to get their hands on the book:

"If we released it at 9am, we could get an awful lot of grief. We wanted a national event, and rather than having it just trickle down, we thought that if we focused on a time it would be fair to the kids. Hopefully there'll be queues of kids up and down the streets, waiting for their copies. It's very much a visual exercise."

Harry Potter first hit the top of the bestseller list of online adults in England in less than a year. At present, the first three books in the series continue to occupy the top four of the bestseller lists of The New York Times. The new book spent 42 weeks on the bestseller list of The New York Times. The first three books sold this week are all written by author JK Rowling. Amazon.com announced the new book to be the largest pre-order in which you have had 313,000 copies sold, before launch (Moore, 2004, pp. 161–167).

According to Roberts (2004), there are competent imitations of lots of children's books. The books are not bad. There does not seem to be anything excitingly new. But if the marketing initiative sells books that are great: toy manufacturers are in favour of any kind of marketing that can do that.

Harry Potter was on the cover of Time magazine in September this year to boost his celebrity status now. It became the thing to read fiction books on witchcraft.

In an Interview with author *J. K. Rowling presented by Stories from the Web she was asked*, "Any clues about the next book?" she states I don't want to give anything away, but I can tell you that the books are getting darker. Harry's going to have quite a bit to deal with as he gets older. The most recent book is the darkest of the series and as promised, they will progress to be darker as they continue (Linn, 2004).

BENEFITS OF GLOBAL SEGMENTS

According to Lynn (2002), consumer behaviour is often too complex to explain in one or two features should be taken into account several dimensions. It is based on the needs of consumers. It is advisable to present flexible market offerings to the market segment. The offer of flexible demand is a solution consisting of elements of the product and service that all segment member's value and options that only a few appreciate. Each option involves an additional fee.

In all market research, regardless of socioeconomic status of families analysed, it is clear that children are the priority at home. Even in the poorest households, the aspirations of parents towards their children do not alienate much of which a middle class family has (Linn, 2004).

This *importance of children in the household* has a direct impact on the family budget. Those costs related to health and infant feeding will have lower price elasticity of demand that is, parents are less willing to sacrifice those expenses, to the extent of its possibilities. With more household income, these families go large proportion of these extra resources to children, whether in clothing, entertainment or food, as applicable (Siegel, 2004).

It can be analysed for children from the point of view of the market from various perspectives and we chose two. The first is to see children for their role in the process of buying many goods and services (influencer, evader, initiator, and consumer) and the second is to view them as economic entities themselves, with a purchasing power to spend on goods and services (Moore, 2004, pp. 161–167).

Children certainly have an influence on purchases made at home. Market studies have shown that as socioeconomic status increases, the influence grows. The middle-class children are partakers of shopping from home, while in the lower strata a strategy of cost control is by not taking them when making food purchases, recognizing his influence on this process. This

influence beyond participation in the shopping experience has to do with consumption. Children have significant power of veto, to certain foods or products that do not like (Brenkert, 1999, pp. 178–193).

According to Roberts (2004), parents of children will surely know what I mean. Similarly, the influence of children on the purchase and consumption varies according to product category or service, as observed in some products such as cereals, crackers, cheese and some drinks alcoholic is crucial. The children's market in *Venezuela* is certainly not just an attractive segment population for their participation and budget direct drive, but for his role in the purchase and consumption of goods and services in the home. In addition, this group represents the first link in the market and can bring benefits captivate the long term, in terms of increased market share and brand loyalty.

- Allows the identification of the needs of customers within a sub and design more effective marketing mix to meet them.
- Medium-sized companies can grow faster if they obtain a strong position in the niche market.
- The company creates a product or service offering far more polished and put the appropriate price for the target audience.
- The selection of distribution channels and communication is provided in a holistic way
- The company faces fewer competitors in a specific segment
- It generates new growth opportunities and the company gets a significant competitive advantage (Wong, 1996, pp. 1051–1064).

The influence of children in the world of consumption can be measured from the perspective of the changes caused by their appearance in the consumption habits of their parents. The arrival of the first child involved in changing consumption patterns (e.g., increases in consumption of ingredients and perishables, household equipment adaptation, a change in the rituals around eating food intake sitting on the table and patterned in three doses daily, monitoring the child's diet and food preparation, and in the upper middle income families and high spending on aid to the household as the service or home care of children) (Day, 2004, pp. 184–206).

As a consumer, the child has unique needs. The homes open their doors to the consumption of categories so far away from your shopping cart (diapers, baby milks, creams, anti-irritation, thermometers, safe drugs but effective, clothing, etc.) that later multiply and are in that basket.

At first, it comes down to a baby who is unfamiliar with the decision. At this stage, the key influencers are in the immediate environment (essentially, the mother). The buyer needs information and the media as television and radio are too short to communicate in their extent necessary (Rideout, 2005).

TARGETING KIDS

In a book published in 2000 titled *No Logo - the Brand Bullies*, Canadian author Naomi Klein traces the emergence of brand marketing. She said the mid-80s have witnessed the emergence of a new type of business. Companies, like Nike, Calvin Klein, Tommy Hilfiger, have decided to prioritise the creation of a brand rather than their products (Harrison, 2005, 1568-1574). By relocating their factories to countries where labour is inexpensive, these companies have released financial resources they use now to produce powerful messages. This formula has proven extremely beneficial and has led to the creation of some of the richest and most powerful corporations the world has ever known (Fishel, 1998, pp. 94–99).

According to Roberts (2004), marketers are trying to develop in young children recognition of the brand. They hope to establish a long relationship with them. According to the Centre for a New American Dream, babies six months may already form mental images of logos and mascots. The brand loyalty can be established from the age of two years. Starting school, a child can recognise hundreds of logos.

"Targeting the youth is the future of the brand." (Source: Marketing Director of Coca-Cola, 1996)

According to studies by consultants, children are buying 40% of consumer products (Siegel, 2004). It was considered that the behaviour consumers began after 12 years. Today the average age from which children begin to influence the decisions of their parents is 24 months. A child of that age, behind every tantrum, screaming and crying included, at the store, crying in front of a kiosk or at the door of a toy that the mother will repeatedly access to their whims, and mom will buy the cereals that bring the character into its packaging or even choose to bring such particular brand of hot dogs because they come with figures or drawing (Day, 2004, pp. 184–206).

We think it is possible to analyse the relationship of the kids to school and to knowledge, regardless of the place of television in their world everyday and your relation with her children. On the other hand, we believe that it is not possible to speak of a unique media education for all

schools, regardless of the social context of the students, with the idea that the development of content for everyone is sufficient to produce changes (Rideout, 2005).

A growing number of organisations have come together to denounce the harmful nature of propaganda that does not respect the objectives of education and social values.

Advertising, creative models, seeks to provoke states, attitudes and reactions capable of producing behaviours and actions that benefit the marketing of certain products. One of the results, whether serial, comics, video clips or advertisements, is the display of images characterised by an overdose of explosions, noise and dazzling flashes, like in the clubs, characterised by its stridency and light psychedelic (Day, 2004, pp. 184–206).

COMMUNICATION AND DISTRIBUTION CHANNEL

Jockeying for position in the advertising clutter is part of the lives of youth. Several companies are now using viral marketing - a new approach to word of mouth. The principle is to find children's "*coolest*" of a community and make them use or wear a product to generate interest. Viral marketing, also known as street marketing, helps companies to penetrate the teen market, at once elusive and inventive, through trendsetters who give their products a status of "cool." (Harrison, 2005, 1568-1574)

In **Canada**, a child watches an average of two hours of television per day and sees over **20,000 commercials per year**. In addition, traders are increasingly sophisticated and use research in developmental psychology to exploit the vulnerabilities of children of different ages and to make their messages even more powerful (Wong, 1996, pp. 1051–1064).

Until the age of four or five years, most children do not understand the difference between entertainment and advertising. They watch commercials and TV programs with the same attention. Advertisements that target this age group often associate the product or brand to the pleasure and happiness rather than talk about the facts related products (Fishel, 1998, pp. 94–99).

Children have no concept of beliefs, desires and motivations of others, what we call "theory of mind" until about six years. It is difficult for children under seven or eight years to understand that the intent of advertising is to encourage them to buy things. They also tend to take commercials at face value (Harrison, 2005, 1568-1574).

For Pre-teens children, aged 8 to 12 years, *advertising* include but are still vulnerable. These children begin to develop their sense of identity. Marketing-oriented aspirations target their desire to be a little older and seem more sophisticated than they actually are (Siegel, 2004).

Adolescents attempt to distinguish themselves from their parents and find their place among their friends. Marketing that targets adolescents focuses on the insecurities of adolescents or positive qualities as their activism and their desire to defy conformity and presents these qualities in the form of cool brands and cons-culture (Chonko, 1995).

Professionals working with children are increasingly concerned about this constant hype. In 2003, the *Canadian Paediatric Society* issued a position statement regarding the impact of media on children and youth in which raises several concerns about advertising.

CONCLUSION

According to Roberts (2004), children and adolescents have indeed become major consumers and prescribers important: they have an increasing influence on family purchases (food to new technologies, through the family car or vacation). This is a marketing target even more interesting that these are public "captive" that can easily retain (Wong, 1996, pp. 1051–1064). Advertisers have an incentive to attract them from an early age. But the battle is uneven, because children are more fragile and malleable. Some companies put in place, sometimes without doubts, strategies become more sophisticated to seduce them (Fishel, 1998, pp. 94–99).

Naturally one cannot speak of child consumer behaviour and reporting directly to the behaviour patterns of parents. These in turn are strongly influenced by the generations that preceded them. However, due to the growing independence of young couples begin to observe a greater autonomy in decision making. The increase in the average age of parents (because now people tend to marry older) causes the purchasing power of families with children is higher, and therefore, the greater the budget for them (Chonko, 1995).

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