Market Segmentation and Positioning Strategy for a Health Watch

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Being the Senior Vice President for Marketing at Enhanced Analytics, Inc., Austin, Texas, it is my honour to present the company's findings and recommendations to the board of directors of the Watch Company (an imaginary name) to position its new product. It is proposed that the company should initially market its smart health watch in the capital city, Washington, DC. The preferred segment might be people of forty years and above. A comprehensive positioning strategy is recommended in the report.

Ideal Market Segment

Enhanced Analytics, Inc. does not recommend that the company offer its new health smartwatch to the whole country because it might not be financially viable. According to the American Marketing Association (AMA,) through marketing, organizations enable themselves to offer valuable products and services to customers (American Marketing Association, 2017). In this regard, it is vital that Watch Company first selects the target market so that it can focus its efforts in the right direction to offer valuable services in the clearly defined segment. In this context, geographic and age segmentation might be of critical importance.

1. Geographic Segmentation

It is proposed that the entity should initially market its new watch in Washington, DC. Justification will be discussed in the next section of the report. The U.S. Census Bureau estimated the District of Columbia's population at 693,645 on July 1, 2025. In addition, many thousands of people commute into the city for work from nearby communities. These figures may be attractive for the management of the Watch Company.

2. Age Segmentation

The company should target an appropriate age group. The new watch might not be marketed in all age segments. A large number of people in Washington, DC, are above forty years of age (DC Health Matters, 2020). This segment is the most suitable to target given the features of the smart health watch and the peculiar needs for health monitoring of this age group.

Justifications for Ideal Market Segment

There are valid and logical justifications for the selection of Washington, DC. The modern health industry is indeed dynamic; therefore, to remain on the top, Watch Company needs to carefully assess its target market and unique selling proposition (USP). The company has limited resources; moreover, the product is new, and time and effort are needed to establish its place in the market. Being the capital of the country, Washington, DC, offers ample opportunities for Watch Company to start its positioning campaign. Although the population size is still not as great as other megacities of the USA, the headcount is enough, as discussed in the previous section of this report. Moreover, daily commuters and workers from adjoining areas offer additional opportunities. The economic conditions of people offer another advantage to marketers of the entity. Another reason for the selection of the city is the higher educational level, which might induce people to allocate more resources to their health monitoring. The important localities of Washington DC include Capitol Hill, Logan Circle, DuPont Circle, Foggy Bottom, Adams Morgan, and U Street (*Neighborhood Profiles,* 2020). Capitol Hill is the most popular and most densely populated area of the targeted city. Another solid justification for one city is the company's predefined budget for launching the product because it has meagre resources. Additionally, the product is new, so it might not be appropriate to launch it in many cities simultaneously. The company might learn valuable lessons from the initial marketing campaign. Therefore, it is also proposed that the entity start efforts from Capitol Hill and spread the marketing campaign to other city neighbourhoods.

Similarly, there are solid justifications for the selection of the age group of forty and above. People of forty years and above might face a plethora of health risks. Usually, the higher the age, the higher the risk. According to 2013 data from the American Heart Association, close to seventy per cent of individuals between the ages of sixty and seventy-nine have some form of cardiovascular disease (CVD) (40 Health Risks That Skyrocket After 40, 2020). Since the company's smartwatch can monitor health data, the management might target people in the middle and senior age groups. There are tendencies that, with age, people begin to monitor their health data, including heartbeat, blood pressure, and blood sugar. The entity might use its advertising campaign to target people who are health-conscious. According to experts, such segmentations on the basis of psychological traits are indeed important (Psychographic Market Segmentation, n.d.). It might use social media marketing, which has gained immense popularity in recent years. Moreover, the company's smartwatch is linked to the customer's mobile phones, which enables the company to use social media more profoundly. More senior people might not use social media; however, a considerable portion of the recommended segment might use social media. According to recent figures, about forty per cent of people in the city are forty years old or older (DC Health Matters, 2020). Therefore, the positioning might be successful in this segment.

It is clear that Washington, DC, offers consideration for these opportunities to Watch Company to launch its new smart health watch. The age group of forty and above seems appropriate for targeted efforts, given the increase in health risks with rising age. The proposed segments also offer

executives an opportunity to constantly upgrade their marketing knowledge and strategies, which might indeed help broaden the positioning campaign of the smartwatch in other parts of the country.

References

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