

BUSINESS STUDIES
HALF TERM HOMEWORK
'LOADED' ESSAY

Using 'Loaded', analyse & evaluate the marketing strategies used in its launch.

Launched in the Spring of 1994 by IPC, *Loaded* has been a major success and break through for the company in the sense that it has become the magazine's leader by beating all of the rival titles in a fierce competition of magazines and journals aimed at youth as the target market. This incredible achievement was only due to the marketing objectives they prescribed, and the strategies linked to them.

From the video seen in class, although it seemed quite apparent that the founder, (or Managing Director) of *Loaded* was a risk taker, and not a professional businessman, from what he has established- the magazine itself, it portrays him as a composed, innovative, hard working, and strongly motivated person who realised and understood that there was a niche in the market for such a product, and thus it was in great demand. This shows that the influence of the individual was important. The degree of risk in the firm's strategy depended partly on the personality of the key decision maker. In the case of *Loaded*, there wasn't really any thorough market research involved. It was launched as a huge success, or a devastating flop. Clearly, he is an entrepreneurial marketing director who achieved a major breakthrough, which usually more cautious people would have avoided.

The continued success of the magazine is not due to luck, or its initial start-off trial price of 95 pence. It is due to sophisticated marketing techniques and strategies which managed to maintain their sales over the past years despite the intense competition. The magazine develops clear strategies in a constantly changing marketplace- the front cover, articles and adverts in the magazine are regularly updated, new images, fashion styles, and slang phrases are often introduced, and various offers and subscription bargains are used on a constant basis to keep the market interested, in order to keep sales high. The magazine has also tried to increase the number of people buying and reading it, although it is hardly advertised, by providing material and items that the customers and market 'want'. It is 'successful as it gives a relaxing attitude', and since the 'laddish culture has deteriorated', it is targeted at young males, says the creator of the magazine. Due to such sharp marketing techniques, the magazine was awarded 'The 1995 Best Selling Magazine Award'. It is apparent and palpable that the business has a balance between

what is desirable and achievable. In *Loaded*, the importance of strategic market planning was adhered to as the company personnel devoted the time, thought, and resources to the strategies to obtain a successful magazine at the end of the day.

The motives of the company were to get ‘profit’, and aim for a ‘growing market’, both of which were successfully achieved. Although the magazine wasn’t advertised when it was launched, as the demand for advertising was high, and owing to its lofty costs, it literally was ‘discovered’, and it’s fame was brought about by ‘word of mouth’. Other impediments for advertising included the fact that the magazine had too much sex in the face. For most people, it was a shock at start. However, the actual advertising in the magazine itself is noted for it’s tremendous success, especially for Men’s fashion.

The only risk however, which the company face is, ‘how far they could go with the explicitness of the material?’ Although, most women don’t really mind it, a minority believe that it causes this vulnerability feeling and a socially immoral attitude towards them where whenever they walk past a group of males, they are whistled at, or even commented.

The magazine began selling at a low of 95 pence for Issue 1. However, by Issue 2, as they had realised the lumpsome of capital and cash inflow, it increased to \$2.00, and by Issue 3, it had gone even higher to \$2.20, where it has finally settled. This marketing strategy is known as ‘Market Penetration’. This is about increasing market share. It is a common and safe strategy used by many businesses as it concentrates on existing markets and products, and ways of increasing sales. *Loaded* increased their sales by taking customers from competitors, which they achieved by aggressive pricing and offering additional incentives to the customers. Thus, people still buy it- because the product is a guaranteed success and only the most efficient businesses can survive the competition, and prices are kept in accordance with the high quality.

As can be established, for *Loaded* distribution was fairly easy as it achieved promotion through word of mouth; therefore advertising wasn’t necessary. This was also due to the fact that it was operating in a very small niche market. Interestingly, great success was attained through very basic market research- the creator of the magazine went round buying and comparing women magazines that already existed to see the type of material included, and the limits of the explicitness.

The marketing strategy for *Loaded* also included the Four P's. The Place where they could be purchased from was basically any newsagent, Post Office or convenience store. Stores where the public visit as local everyday groceries or to get the newspaper, see a quality magazine with their needs at an affordable price, and buy it as well as the other everyday products they purchase. The Product itself is identified through high quality. Large sums of money go into the RE-D (Research and Development) faculty in order to supply latest fashion images or influential information of the era. Promotion is not a problem at all for *Loaded* as it is done through 'word of mouth'. This saves them vast sums of money that could go into expensive advertising and publicity campaigns. The Price is held at a level notified as 'Premium Pricing', where quality is provided at fair price values.

The business objectives in the case of *Loaded* were (as mentioned previously), profit and to aim for a growing market, as well as survival, as it was a risk. The drive for profit, which motivates the business decisions, has a very important implication. It means the business will; always be striving to defeat the competition. Direct competition is bad for business because it forces prices down. That's why the producer of *Loaded* strived for competitive advantage, which made them stand out from the rest of their rivals such as 'Fiesta'. The social attitudes of the market at the time of the launch of the magazine were luckily when the economy was just coming out of the 1996-97 recession. Thus, people were willing to buy such affordable products, which provided their wants. In addition, since the company is operating in a segmented market, competition is fierce as people can choose from a range of similar magazines in the same 'women's magazines' market. However, owing to the marketing strategies involved by each rival, the buyers select the one which is scarce or, most closely fits to their needs.