



Market Segmentation & Targeting



Market Segmentation & Targeting

- Market Segmentation
- Market Targeting



Market Segmentation & Targeting

- Mass Marketing
 - Differentiated
 - Undifferentiated
- Niche (concentrated) marketing



Bases for Segmenting Consumer Markets

- Geography
 - Region of the world
 - Country
 - Region of the country
 - State
 - City
 - County



Bases for Segmenting Consumer Markets

➤ Demography

➤ age

➤ occupation

➤ gender

➤ education

➤ family size

➤ ethnicity

➤ family life
cycle

➤ nationality



Bases for Segmenting Consumer Markets



Psychographics



social class



lifestyle



personality



Bases for Segmenting Consumer Markets

- Behavior
 - purchase occasions
 - benefits sought
 - user status
 - usage rate
 - loyalty status
 - readiness stage



Bases for segmenting business markets

- Demography
 - industry
 - company size
 - location



Bases for segmenting business markets

- Operating variables
 - customer technologies
 - usage rate
 - user status
 - customer service requirements



Bases for segmenting business markets

- ▶ Purchasing approaches
 - ▶ centralized vs. decentralized purchasing
 - ▶ current vs. potential customers
 - ▶ purchasing criteria



Bases for segmenting business markets

- Situational factors
 - urgency of need
 - application of product
 - size of order



Evaluating market segments

- Segment characteristics
 - Measurable
 - Adequate size
 - Different response
 - Accessible
 - Actionable



Evaluating market segments

- Segment structural attractiveness
 - number & strength of competitors
 - availability & strength of substitute products
 - potential market entrants
 - supplier power
 - buyer power



Evaluating market segments

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- Fit with company objectives & resources



Product Positioning

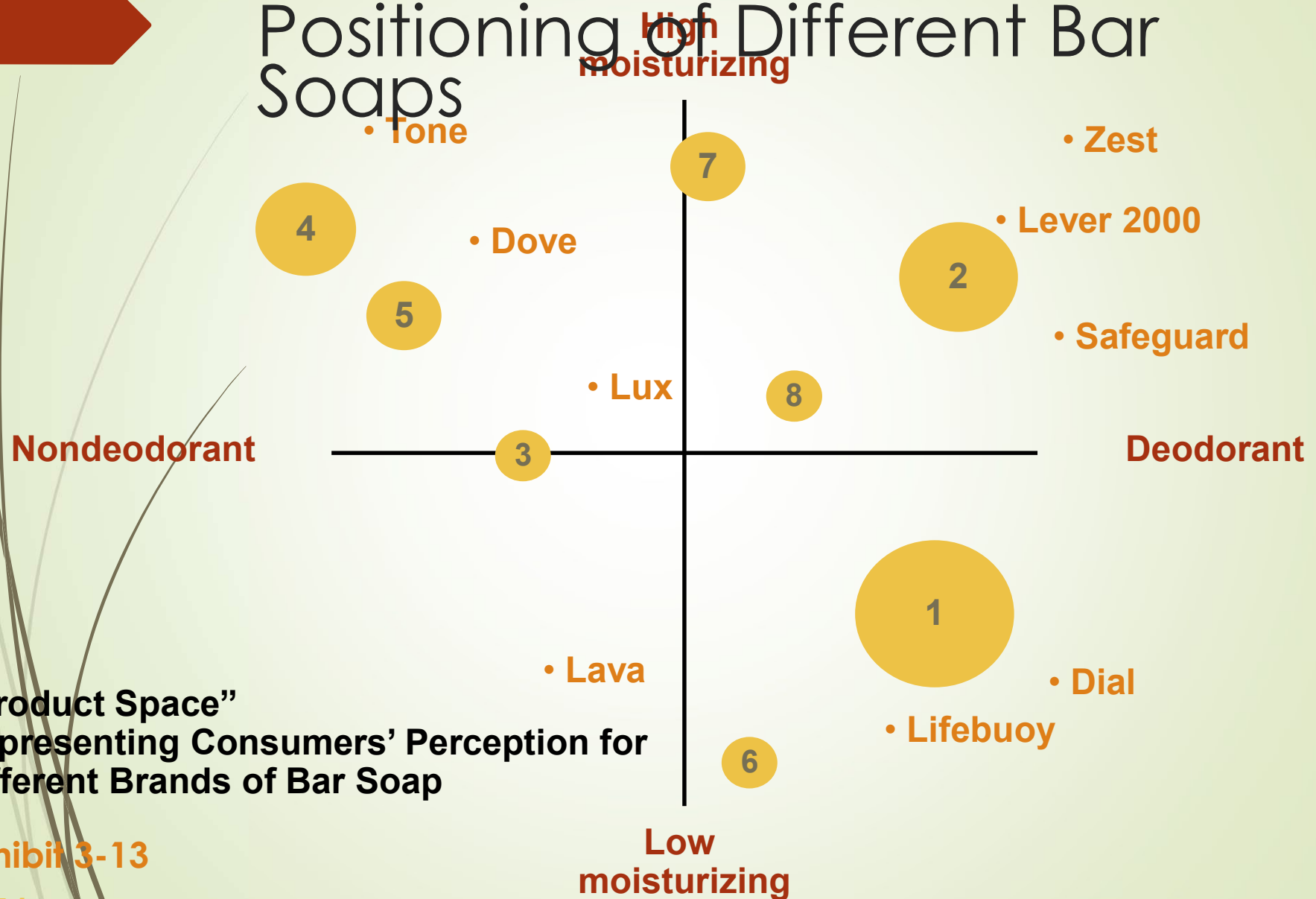


Product Positioning



Differentiation vs. Positioning

Positioning of Different Bar Soaps

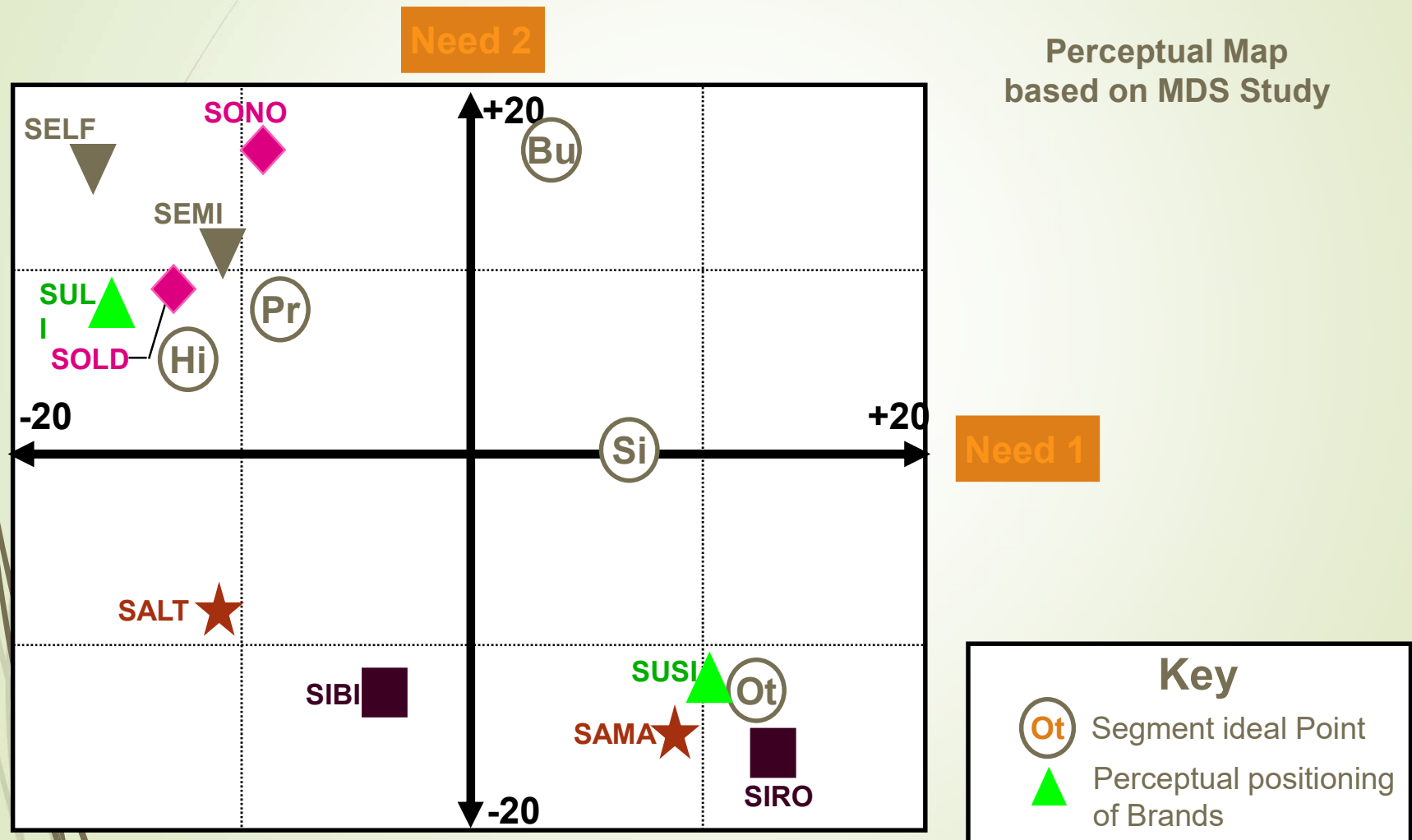


“Product Space”
Representing Consumers’ Perception for
Different Brands of Bar Soap

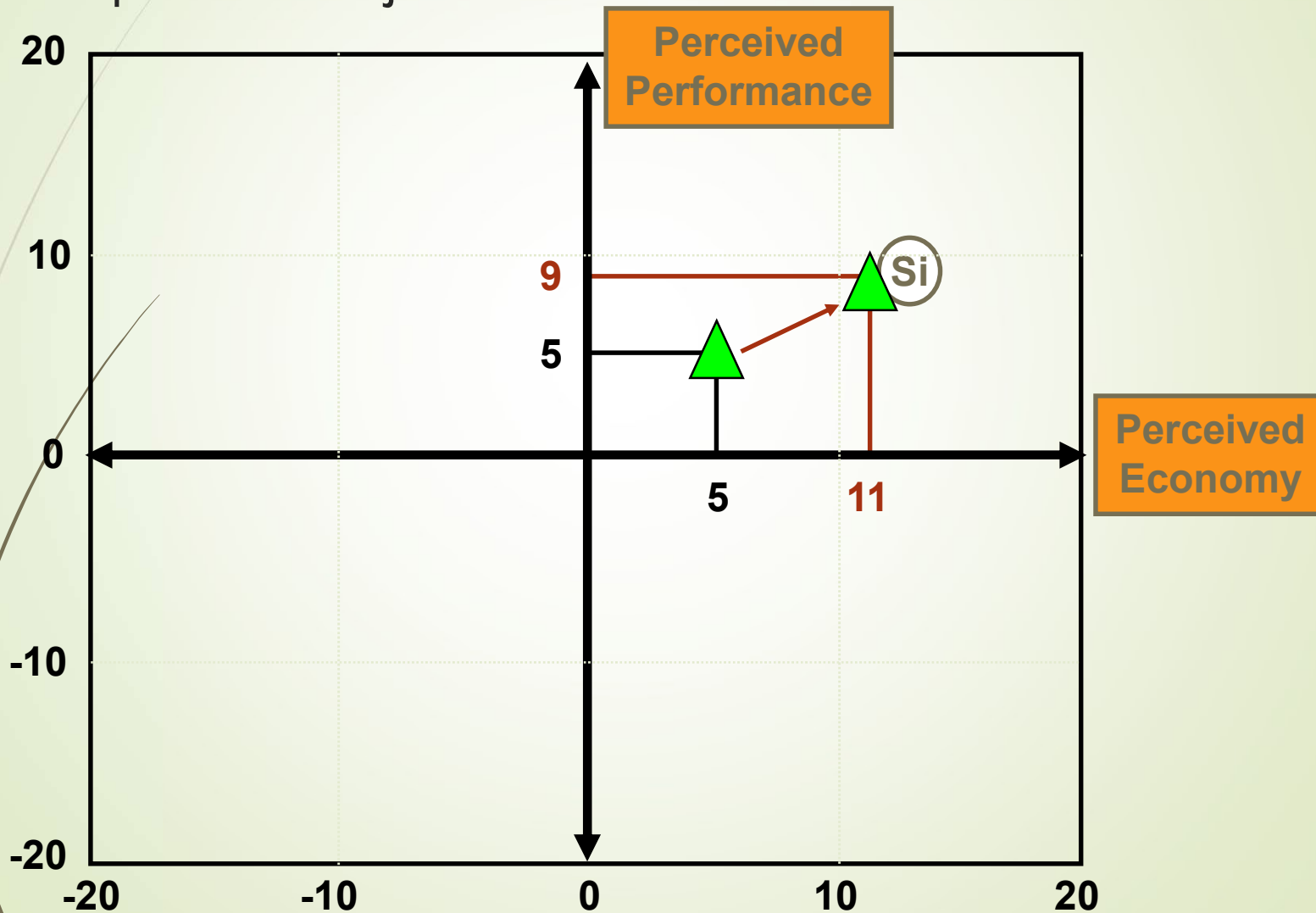
Exhibit 3-13

3-14

The "Perceptual Map" is a valuable tool for visualizing brand positioning



Positioning with advertising requires setting
"Perceptual Objectives"





Product Positioning

- Differentiation variables

- Product

- features
 - performance
 - durability
 - reliability
 - repairability
 - style
 - design



Product Positioning

- Differentiation variables:

- Service

- delivery

- installation

- customer support



Product Positioning

- Differentiation variables:

- Personnel

- competence
 - courtesy
 - credibility
 - reliability
 - responsiveness
 - communication



Product Positioning

- Focus on “determinant attributes”



Product Positioning

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- How many differences to promote?



Product Positioning

- Single-benefit positioning is usually best
 - best quality
 - lowest price
 - best value
 - most reliable
- Helps to gain “positioning intensity”



Product Positioning

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- People tend to remember # 1. But, what if you are # 2 or # 3?



Product Positioning

- If you are not # 1
 - strengthen current position
 - grab an unoccupied position
 - deposition or reposition the competition
 - achieve the largest size within a segment
 - exclusive club strategy



Product Positioning

- Positioning errors
 - under positioning
 - over positioning
 - confused positioning
 - doubtful positioning



Perceptual Product Positioning Maps

- Sales potential within a market segment is directly related to the brand's proximity to the segment's preferences on important dimensions



Market dynamics to consider

- From Boyd, Walker & Larreche, 1998, p. 206
 - Growth of market segments
 - Evolution of segments' ideal points
 - Changes in positioning intensity
 - Evolution of existing brands' positions
 - Introduction of new brands



Market positioning strategies

- From Boyd, Walker & Larreche, 1998, p. 207
 - Monosegment positioning
 - Multisegment positioning
 - Standby positioning
 - Imitative (head-on) positioning
 - Anticipatory positioning
 - Adaptive positioning
 - Defensive positioning