

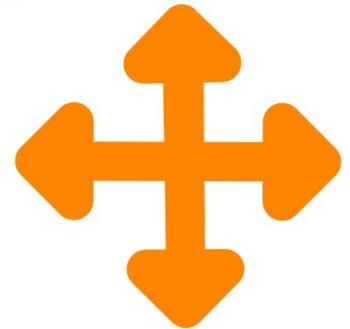
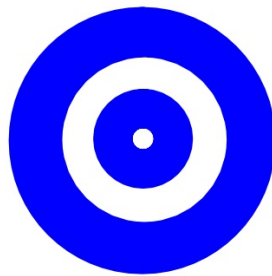
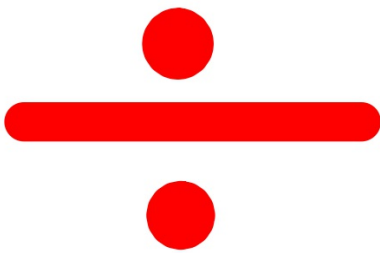


Market Segmentation Targeting & Positioning

Textbook Case:

Proctor & Gamble

The process



Segmentation

Dividing Markets into Smaller Segments that Can be Reached More Efficiently And Effectively With Products and Services That Match Their Unique Needs.

Mass Marketing

Same product to all consumers
(no segmentation, i.e Coca-Cola at one time)



WOMEN

I dine out to indulge myself

3.4 meals away from home per week

I order a side salad

A pretzel or coffee are snacks

I like to customize entrées

I want more healthful menu options

I consider price in picking a restaurant



MEN

Restaurant choices reflect my social status

4.1 meals away from home per week

I order a side dish

Pizza or hot dogs are snacks

I like self-pay technology

I stick with familiar restaurants

I'll order the same foods I eat at home

Segmentation

Segment Marketing

Different products to one or more segments

(some segmentation, i.e. Marriott)

Segmentation

Niche Marketing

Different products to subgroups within segments
(more segmentation, i.e. Standard or Luxury SUV's)



Segmentation

Micromarketing

Products to suit the tastes of individuals and locations
(complete segmentation)

Local Marketing

Tailoring brands/promotions to
local customer groups

Individual Marketing

Tailoring products and
programs to the needs of
individual customers, i.e. Dell

Segmentation

Geographic Segmentation

World Region or Country

City or Metro Size

Density or Climate

Segmentation

Demographic Segmentation



Dividing the market into groups based on variables like:

Age
Life-cycle stage or family size
Gender
Occupation
Religion

Nationality
Income
Education
Race

Segmentation

Psychographical Segmentation

divides buyers into different groups based on:

Social Class

Lifestyle

Personality

Segmentation

Behavioral segmentation divides the market into groups based on variables like:

Occasions
Benefits sought
User status
Usage rate
Loyalty status



Effective Segmentation

Measurable: size, purchasing power, and profiles of segments can be measured.

Accessible: segments can be effectively reached and served.

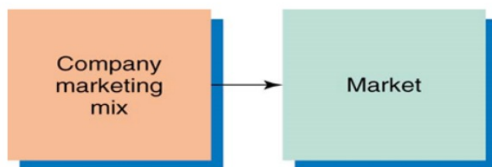
Substantial: segments are large or profitable enough to serve.

Differential: segments can be thought of distinctly and respond differently to different marketing mix elements and programs.

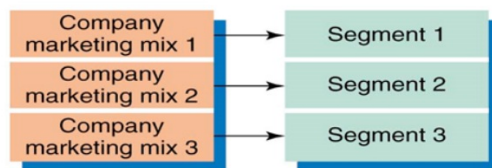
Actionable: effective programs can be designed for attracting and serving the segments.

Commercial Analysis

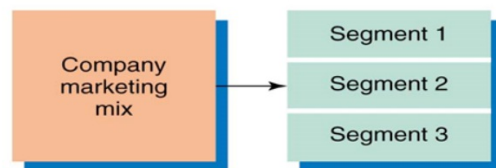
Market Coverage Strategies



Undifferentiated marketing



Differentiated marketing



Concentrated marketing

Product Line



Product Line Extensions



Socially Responsible Targeting

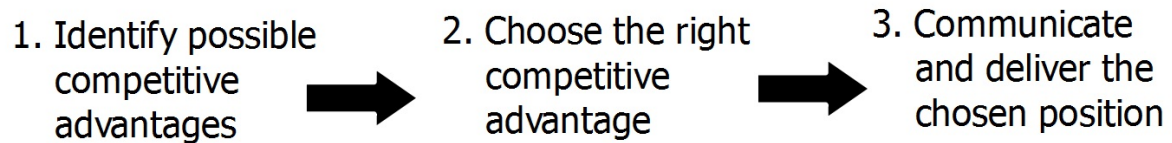
Smart targeting helps companies and consumers alike.

Target marketing sometimes generates controversy and concern.

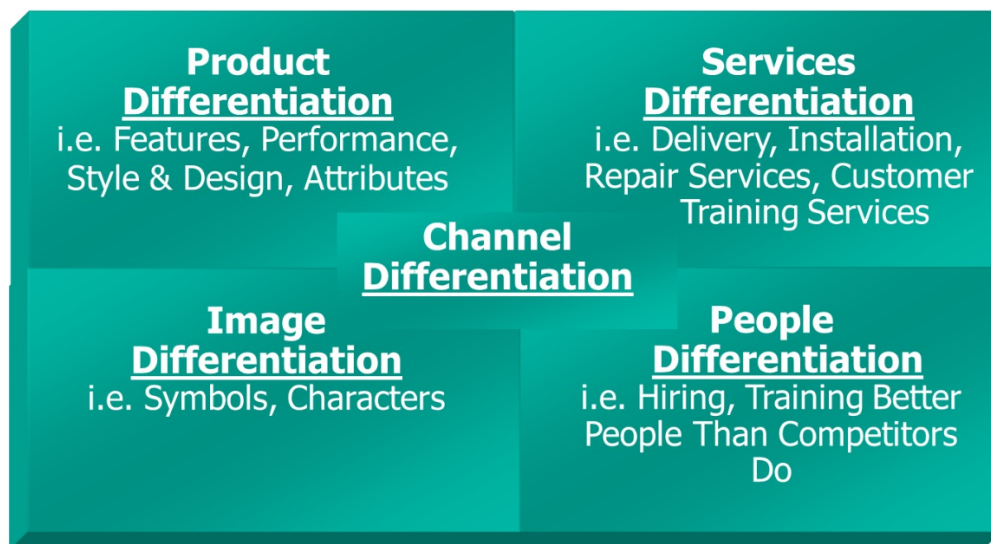
- Disadvantaged and vulnerable can be targeted.
- Cereal, cigarette, beer, and fast-food marketers have received criticism in the past.
- Internet has raised fresh concerns about potential targeting abuses.

Product Positioning

- Product's Position - the way the product is defined by consumers on important attributes.
- Product is compared with competing products.
- Simplifies the buying process by helping consumers organize products into categories.



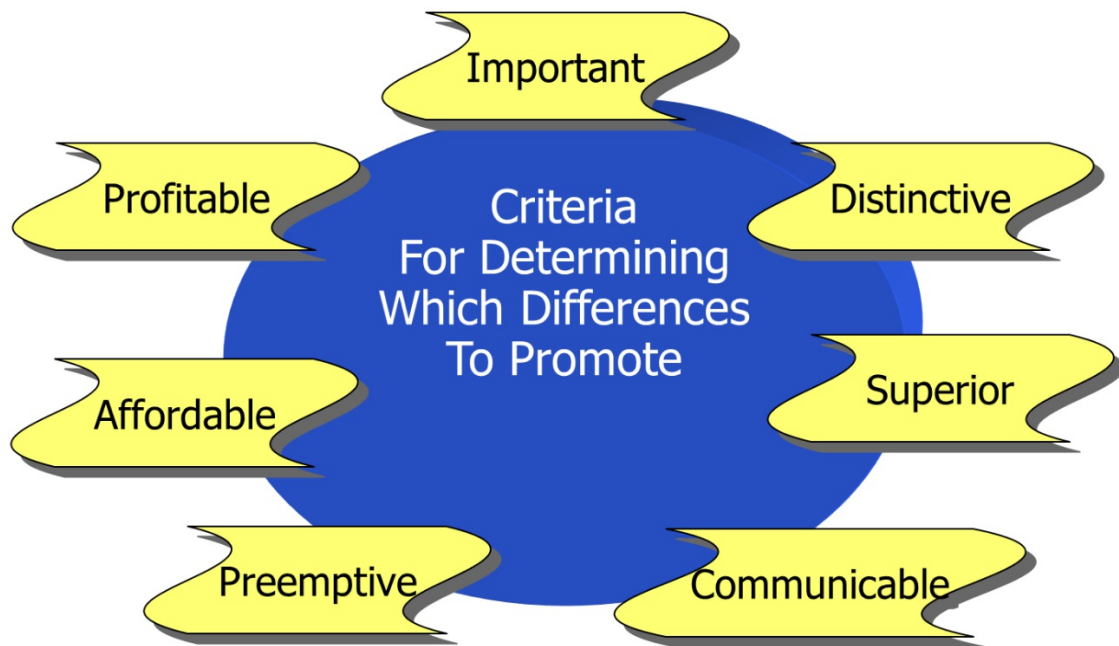
1. Identify possible competitive advantages



1. Identify possible competitive advantages



2. Choose the right competitive advantage



1. Identify possible competitive advantages



2. Choose the right competitive advantage



3. Communicate and deliver the chosen position

		Price		
		More	The same	Less
Benefits	More	More for more	More for the same	More for less
	The same			The same for less
	Less			Less for much less

Unit Review

Segmentation is

A. Selecting specific segments to market to

B. Developing a persona within a consumer's mind

C. Dividing the marketplace into distinct customer groups

D. Sharing a pizza with a friend

Which of the following is an example of micro-marketing?

- A. Local marketing**
- B. Mass marketing**
- C. Niche marketing**
- D. Individual marketing**
- E. A and D only**

Selecting a target market according to gender would be an example of which type of segmentation?

- A. Geographic**
- B. Demographic**
- C. Psychographic**
- D. Behavioral**

Positioning is

A. Selecting specific segments to market to

B. Developing a persona within a consumer's mind

C. Dividing the marketplace into distinct customer groups

D. Modeling

Selecting a target market according to product usage rate would be an example of which type of segmentation?

- A. Geographic**
- B. Demographic**
- C. Psychographic**
- D. Behavioral**

To be effective, segmentation must be

A. Measurable

B. Updated daily

C. Based on subtle differences

D. Small

Targeting is

A. Selecting specific segments to market to

B. Developing a persona within a consumer's mind

C. Dividing the marketplace into distinct customer groups

D. Discount shopping

This graphic represents which level of segmentation?

A. Niche



B. Mass

C. Segment

D. Local

This graphic represents which level of segmentation?



A. Niche

B. Mass

C. Segment

D. Micro

Which of these represent a product extension?

A.



C



B.



D

